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Brief
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PATENT APPEAL

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellants: Deirdre O'Shea, Jay S.) Group Art Unit: 3622
Walker, James A. Jorasch,)
Andrew Van Luchene,) Examiner: YOUNG, John L.
Magdalena Mik, Adam)
Stevenson, Scott B.) **APPEAL BRIEF**
Allison)
Attorney Docket No. 99-032
Application No.: 09/535,790)
Filed: March 29, 2000)
For: METHOD AND APPARATUS)
FOR PROVIDING A COUPON)
OFFER HAVING A)
VARIABLE VALUE)

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**BOARD OF PATENT APPEALS
AND INTERFERENCES**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Appellants hereby appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Non-Final Office Action mailed August 25, 2003 (Paper No. 10), rejecting Claims **1-74, 87, 94, 95, 144-153 and 162-167**.

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REAL PARTY IN INTEREST

The present application is assigned to Walker Digital, LLC, 1177 High Ridge Road, Suite 128, Stamford, CT 06905.

RELATED APPEALS AND INTERFERENCES

No interferences or appeals are known to Appellants, Appellants' legal representative, or Appellants' assignee, that will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal.

STATUS OF CLAIMS

The status of Claim **45** is not known. An Amendment to cancel Claim **45** was mailed on June 25, 2004, subsequent to the mailing of the Notice of Appeal on November 25, 2003. It is not known whether the Amendment has been entered. Claim **45** is not being appealed.

Claims **1-44 and 46-167** are pending in the present application:

(i) Claims **1-44, 46-74, 87, 94, 95, 144-153 and 162-167** are twice rejected and are being appealed.

(ii) Claims **75-86, 88-93, 96-143 and 154-161** are pending but have been withdrawn from consideration. [See, Second Interview Summary].

Claims **1, 48, 58, 87, 94, 95, 144-153 and 162-167** stand rejected under 35 U.S.C. 103(a) as being unpatentable over a combination of:

- U.S. Patent No. 5,710,886 issued to Christensen et al. (hereinafter "Christensen"); and
- U.S. Patent No. 5,357,314 issued to Kanter et al. (hereinafter "Kanter")

Claims **2-44, 46, 47, 49-57 and 59-74** stand rejected under 35 U.S.C. 103(a) as being unpatentable over a combination of:

- Christensen;
- Kanter; and
- subject matter without any support in the record

Claims **1-44, 46-74, 87 and 162-167** stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

STATUS OF AMENDMENTS

An Amendment to cancel Claim **45** was filed on June 25, 2004, subsequent to the second rejection of Claims **1-74, 87, 94, 95, 144-153 and 162-167** and subsequent to the mailing of the Notice of Appeal on November 25, 2003. It is not known whether the Amendment to cancel Claim **45** has been entered.

SUMMARY OF INVENTION

Generally, according to one aspect of the invention, a method and apparatus provide for creating a coupon having a benefit or current value that is variable or alterable according to one or more benefit variation conditions. [Specification, page 7, lines 26-29]. The coupon preferably has an initial benefit, which may be an offer for a discount off of a retail price of an item or service from a retail merchant or other provider. This is the benefit that the coupon has to each initial recipient when it is first received. [Specification, page 3, lines 28-31]. The benefit of the coupon may vary over time, both before and after the coupon is redeemed by the initial recipient, depending on the established benefit variation condition(s) and the actions of the initial recipient of the coupon, other recipients of the coupon, other parties, external events, etc. [Specification, page 7, lines 29-32].

In one embodiment, an initial recipient of the coupon may increase the benefit of the coupon by initiating, performing, or completing an established qualifying action for the coupon. [Specification, page 8, lines 1-3]. A coupon recipient thus has an incentive to perform certain activities or qualifying actions that will increase the benefit of the coupon. [Specification, page 10, lines 30-32].

In one example, when an initial recipient completes a qualifying action such as forwarding a duplicate of the coupon to other recipients via e-mail or other media, the benefit of the coupon retained by the initial recipient increases. [Specification, page 3, lines 31-34]. In some embodiments, actions of other potential recipients of the coupon may also be used as qualifying actions in benefit variations conditions, thereby affecting the benefit of the coupon for the

initial recipient of the coupon, both before and after the coupon is redeemed by the initial recipient of the coupon. [Specification, page 8, lines 1-6].

ISSUES

Whether Claims **1, 48, 58, 87, 94, 95, 144-153 and 162-167** are unpatentable under 35 U.S.C. § 103(a) as being obvious in light of a combination of Christensen and Kanter.

Whether Claims **2-44, 46, 47, 49-57 and 59-74** are unpatentable under 35 U.S.C. § 103(a) as being obvious in light of a combination of Christensen, Kanter and subject matter without any support in the record.

Whether Claims **1-44, 46-74, 87 and 162-167** are unpatentable as being directed to non-statutory subject matter under 35 U.S.C. § 101.

GROUPING OF CLAIMS

The claims in different groups do not stand and fall together.

Appellants group the appealed Claims **1-44, 46-74, 87, 94, 95, 144-153 and 162-167** as follows:

GROUP I	Claims 3-5, 7 and 8
GROUP II	Claims 2, 9, 10, 12-22, 24-31, 39-41 44, 46 and 47
GROUP III	Claims 1 and 87
GROUP IV	Claim 6
GROUP V	Claim 11
GROUP VI	Claim 23
GROUP VII	Claims 32 and 33
GROUP VIII	Claims 34-38
GROUP IX	Claim 42
GROUP X	Claim 43
GROUP XI	Claims 48 and 49
GROUP XII	Claims 50-54
GROUP XIII	Claim 55
GROUP XIV	Claim 56
GROUP XV	Claim 57
GROUP XVI	Claims 58, 59, 61, 62, 70, 73 and 74
GROUP XVII	Claim 60
GROUP XVIII	Claim 63, 64, 65 and 66

GROUP XIX	Claims 67-69
GROUP XX	Claim 71
GROUP XXI	Claim 72
GROUP XXII	Claims 162-167
GROUP XXIII	Claims 150-153
GROUP XXIV	Claims 94 and 144-146
GROUP XXV	Claims 95 and 147-149

Appellants believe that claims in different groups are separately patentable, as explained in the following Arguments section.

ARGUMENTS

1. Summary of Arguments

The Section 103(a) rejections fail for two primary reasons: the Examiner has not made a prima facie case of obviousness, and in any event the references could not support a showing of obviousness.

First, the Examiner has failed (and has admitted the failure) to provide any evidence of any limitation recited in any of the seventy dependent claims being appealed (Claims 2-44, 46, 47, 49-57 and 59-74). All dependent claims were rejected based on what was merely asserted as being “well known.” The references under any reasonable interpretation completely fail to suggest limitations recited in the dependent claims.

Second, the references under any reasonable interpretation completely fail to suggest several limitations that are recited in the independent claims. Among other failings, the references completely lack any hint of:

- *unless a notice is received [or a determination is made] that said at least one [or first] qualifying action has not been completed* (independent Claims 162-167)
- *changing [or modifying] a coupon’s associated benefit upon receiving notice of a completion of a qualifying action* (independent Claims 48, 58, 95 and 147-153)
- *benefit variation condition for [or associated with] a coupon* (independent Claims 1, 87, 94, 144-146, 162 and 163)

Third, the rejections are nothing more than conclusory statements that all of the features of all of the claims are somehow “suggested” by the Christensen reference and also by various combinations of references, and that the references motivate such combinations. The rejections might be an attempt to meet the form of a proper obviousness inquiry, but they wholly lack the substance of any factual findings or reasoning. Despite the formulaic assertions, the Examiner has not shown that the references of record, whether alone or in any combination, actually suggest all limitations of any claim. Further, the rejections are based on improper combinations and modifications of the references without any motivation in the prior art for making the proposed combinations and modifications.

The Section 101 rejections fail because the Examiner has not applied the Federal Circuit’s proper “useful, concrete and tangible result” standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language “associated with activity within a computer.”

Accordingly, the rejections are inappropriate and Appellants respectfully request that the rejections be reversed.

2. **Form of Appeal Brief**

In the arguments herein, limitations of the claims are indicated in *italics* and the references of record are indicated by underlining.

In separate arguments of patentability of different Groups, Appellants have, where possible, referred to prior arguments to avoid undue repetition.

In the arguments below, Appellants refer to:

- the “First Office Action”: Non-Final Office Action mailed September 5, 2002 (Paper No. 3)
- Appellants’ First Response: Amendment and Response transmitted March 5, 2003;
- the “Third Office Action”: Non-Final Office Action mailed August 25, 2003 (Paper No. 9)
- the “Second Interview Summary”: Examiner’s Interview Summary mailed September 3, 2003 (Paper No. 10)

3. The References

The references cited by the Examiner, either alone or in combination, do not disclose or suggest all of the limitations of any claim. Discussed below are the only references used in rejecting the appealed claims: Christensen and Kanter.

3.1. Subject Matter Without Support in the Record is not Substantial Evidence

Appellants have already disputed various assertions regarding what was “well known” but unsupported by the record. [Appellants’ First Response, pages 46-47].

The Examiner has admitted that it is necessary for the Examiner to provide references in support of what is merely asserted as being “well known.” [Second Interview Summary].

Appellants note that the scope of the matter of which the Examiner takes “Official Notice” is limited to the substantial evidence in the record for such matter. The references of record (Christensen and Kanter) clearly do not support the Examiner’s broad assertions as to what was well known.

Accordingly, the Examiner’s omnibus assertions that are not supported by the references of record lack substantial evidence, and therefore cannot be used as prior art to the present application. Only the content of the references of record which are prior art to the present application may be so used. “[D]eficiencies of

the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

The rejections in the First Office Action (and repeated in the Third Office Action) that improperly rely on "Official Notice" of what was "well known" without substantial evidence in the record are discussed herein.

3.2. The Christensen patent

In general, the Christensen reference discloses a system for distributing, generating and redeeming discount coupons. A package of data (e.g., on a diskette) that includes coupon data is transmitted to a selected group of consumers. A validation code provided to a consumer allows a consumer to generate a coupon from the coupon data (e.g., by selecting a coupon via a menu system for printing). A database may be updated to indicate whether the consumer has redeemed the coupon. [See, e.g., Abstract; Column 4, lines 15-33; Column 10, lines 43-57].

FIG. 14 is a further detail of FIG. 6. [Column 5, line 24]. Each of FIG. 6 and FIG. 14 illustrates a display coupon menu from which "a consumer may select a coupon for printing by clicking on the coupon or selecting the coupon using a pull-down menu or the like." [Column 9, lines 9-14].

The number of times that a consumer has redeemed a given coupon may be counted to indicate fraud if the number of times a coupon is redeemed by that consumer exceeds a predetermined amount. [See, e.g., Column 4, lines 35-39].

3.3. The Kanter patent

In general, the Kanter reference discloses a “credit accumulation and accessing system.” [Abstract]. The Kanter system generally includes the ability of a sponsoring company to motivate participants to make referrals on behalf of the sponsoring company. The sponsoring company provides the motivation “by issuing credit and/or awards to participants based on sales made by the people the participants refer to the sponsoring company; and possibly on sales made by the people such referred people refer; and possibly on sales made by people referred by the preceedingly referred people, and so on.” Sponsoring companies can issue awards to participants in the form of catalog merchandise, travel tour, cash, check, coupon, certificate or direct deposit into the participants’ bank account. [Summary of the Invention].

According to the Kanter patent, as a promotional technique, a coupon distribution campaign is “an administrative nightmare,” is “very time consuming,” “can have a detrimental effect on a merchant’s cash flow,” is confusing to consumers, and “creates massive paper waste.” [Column 1, line 32 to Column 2, line 7.]

The Kanter system is described as “an incentive program which can act as an advertising campaign and which is a convenient and an economical alternative to traditional advertising as...the burdens associated with coupon and ad designing, ad printing, target marketing and related aspects are eliminated....” [Column 12, lines 50-55.]

4. The Examiner concedes that no *prima facie* case of obviousness has been established substantial evidence has not been provided in support of the rejection of any dependent claim

The following argument for patentability is applicable equally to all of the dependent claims. It is provided here for convenience and to reduce repetition, but should be considered as being incorporated in each separate argument of patentability for GROUPs I, II, IV-X, XII-XV, and XVII-XXI.

4.1.1. Official Notice was taken of all of the limitations of all of the dependent claims

The Examiner based the rejections of all of the appealed dependent claims on "Official Notice." Specifically, the Examiner took Official Notice that "both the concepts and the advantages of" the entirety of each of the seventy appealed dependent claims were "well known and expected in the art." [See, Third Office Action, pages 6, 7, and 8].

4.1.2. "Official Notice" cannot be the basis for a rejection

Officially-noted subject matter cannot be used as the basis for a rejection under Sections 102 or 103. Official Notice may be used, if at all, only to clarify the meaning of a reference. See, e.g., In re Ahlert, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify

or explain a particular inference to be drawn from the reference teaching.")
(emphasis added).

In other words, mere Official Notice of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art.

4.1.3. Support was not provided for any Official Notice

In Appellants' First Response, Appellants disputed the Examiner's omnibus assertion as to what was "well known and expected" and requested, with respect to each rejected dependent claim, support for all instances of Official Notice. [pages 46-47].

Despite Appellants' request, the Examiner in the subsequent Office Actions did not provide any support for the asserted view of the prior art. Instead, the Examiner stated that no such support was required because Appellants had not challenged the Official Notice in the next response.

As noted above, Appellants had so challenged the Official Notice.

4.1.4. There is no "Official Notice" doctrine which overrules this need for substantial evidence support of a prima facie case

The Examiner did not provide any evidence which supports the "Official Notice." Thus, those unsupported assertions regarding the scope and content of the prior art clearly lack substantial evidence support.

Thus, no *prima facie* case of obviousness has ever been made, and without more, Appellants are entitled to a grant of patent if the claims are otherwise allowable.

The Examiner states two propositions of law which are clearly incorrect:

(i) since Appellants did not specifically request substantial evidence for the Examiner's assertions (which is incorrect), no substantial evidence is required, and

(ii) since Appellants have not shown the assertions to be false, no substantial evidence is required.

Regarding the first point, it is clear that nothing removes the requirement for substantial evidence support mandated by 5 U.S.C. § 706. Dickinson v. Zurko, 527 U.S. 150, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999).

Any contrary belief is based on a misinterpretation of case law. No court has ever held that substantial evidence is not required if the Applicant does not challenge its accuracy on the very first opportunity during prosecution. On the contrary, the case law clearly demonstrates that the Applicant is prevented only from challenging factual findings **for the first time on appeal** to the Board or to a court. See, e.g., In re Chevenard, 139 F.2d 711 (C.C.P.A. 1943) (official notice not traversable for the first time on appeal to court "[i]n the absence of anything in the record to contradict the examiner's holding, and **in the absence of any demand by appellant** for the examiner to produce authority for his statement")

(emphasis added); In re Weiskopf, 210 F.2d 287 (C.C.P.A. 1954) ("If the facts relied upon by the examiner do not constitute a matter of common knowledge, appellant may not **for the first time** challenge the validity of his rejection for that reason on appeal **to this court.**") (emphasis added); In re Gunther, 125 F.2d 1020 (C.C.P.A. 1942) (examiner's official notice "was not challenged **before the Patent Office**") (emphasis added); In re Soli, 317 F.2d 941, 946 (CCPA 1963) ("It is neither the function of oral arguments nor briefs **before this court to question for the first time** the propriety of actions of the examiner or the board to which a response conveniently could have been made before the Patent Office.") (emphasis added); In re Ahlert, 424 F.2d 1088, 1091 - 1092 (C.C.P.A. 1970) (on appeal to the C.C.P.A. from the Board's new rejection based on official notice, proper means to challenge the accuracy of the official notice would have been, per Rule 196(b), to either have the matter reconsidered by the primary examiner, or have the case reconsidered by the Board of Appeals).

The prohibition against introducing new factual arguments during appeal assures that issues are crystallized before appeal. In re Soli, 317 F.2d 941, 946 (CCPA 1963) ("This court has long held that wherever possible, issues should be crystallized before appeal to this court. It is neither the function of oral arguments nor briefs before this court to question for the first time the propriety of actions of the examiner or the board to which a response conveniently could have been made before the Patent Office.").

Nevertheless, given the more recent Supreme Court decision of Dickinson v. Zurko, which requires that the record provide substantial evidence, it is unlikely that an Applicant would be prevented from challenging, at any stage,

factual findings that are unsupported by substantial evidence. Thus, notwithstanding these older C.C.P.A. decisions, the Applicant may have no duty to challenge factual findings even on appeal.

Regarding the second point, nothing compels Appellants to "rebut" Official Notice or "create reasonable doubt" about its propriety. No case law supports that notion, nor does the Examiner cite any case law as support.

It is worth noting that M.P.E.P. § 2144.03 (8th ed., August 2001), which is cited as support for this notion, has been changed (in 8th ed., Revision 1, February 2003) to eliminate the suggestion that Applicants must "create reasonable doubt" regarding the Official Notice.

4.1.5. No *prima facie* case of obviousness exists for any dependent claim

The Examiner has acknowledged that the Examiner must provide but has not provided a reference in support of what is merely asserted as being "well known" by Official Notice. [Second Interview Summary].

Accordingly, the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including all of the claims of GROUPs I, II, IV-X, XII-XV, and XVII-XXI), and has thus conceded that no *prima facie* case of obviousness has been established for any of the appealed dependent claims.

5. GROUP I

GROUP I includes Claims **3-5, 7 and 8**.

The rejection of the claims of GROUP I is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP I.

In particular, the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **3-5, 7 and 8**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP I.

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Further, no claim of GROUP I can be deemed obvious in light of the references of record, alone or in any combination, because the cited references, alone or in any combination, cannot be interpreted in a manner that would disclose or suggest the limitations of any pending claim. Further, the prior art of record does not contain any proper motivation to combine or modify the references in any way which renders any claim of GROUP I obvious.

Also, the § 101 rejections fail because the Examiner has not applied the Federal Circuit's proper "useful, concrete and tangible result" standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language "associated with activity within a computer."

5.1. Claim 3

Claim 3 includes all of the limitations of independent Claim 1, from which Claim 3 depends.

Claim 3 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The updated benefit of the coupon is associated with a first recipient of the coupon and the qualifying action is associated with a second recipient of the coupon.

Dependent Claims 4, 5, 7 and 8 depend (directly or indirectly) from Claim 3. Thus, although the discussion and arguments below refer to Claim 3, they are likewise applicable to the remaining claims of GROUP I.

5.2. Advantages of Claim 3

The embodiment of Claim 3 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, as discussed in the present application, the method of Claim 3 is advantageous in that it provides for *establishing a benefit variation condition for*

a coupon, the benefit variation condition having at least one associated qualifying action. The present invention provides for a coupon having an initial or current value that is variable or alterable according to an established benefit variation condition. A benefit variation condition may be used in determining how a benefit for a coupon may be changed over time after the initial benefit of a coupon is established. A coupon recipient may be able to increase the benefit of the coupon by initiating, performing, or completing an established qualifying action for the coupon. Establishing the benefit variation condition for the coupon thus allows an entity (*e.g.*, a coupon issuer) to provide a recipient of the coupon with an incentive to perform at least one of the associated qualifying actions that will increase the benefit of the coupon. For example, a store may want to increase the benefit of a coupon associated with a specific product during periods of high or excess inventory of a product. [Specification, page 14, lines 17-34].

In another example, a benefit variation condition may be established for a coupon such that the coupon's benefit will increase if a recipient pays by a specific or designated brand credit card when making a purchase at a retail store using the coupon. [Specification, page 15, lines 16-19]. Other types of qualifying actions may include, for example, the initial recipient receiving or downloading the coupon, redeeming the coupon, registering the coupon, forwarding the coupon, etc. [Specification, page 16, lines 2-5].

As discussed in the present application, by *receiving notice of a completion of said at least one qualifying action*, an entity (*e.g.*, a coupon offer issuer) can determine whether a recipient of the coupon has performed a qualifying action associated with a benefit variation condition. Such notices may include a forward

indication, a registration indication, a redemption indication, a reception indication, etc. For example, if a qualifying action is established for registration of a coupon, the recipient of the coupon registering the coupon will be deemed to have completed the qualifying action. [See, e.g., Specification, page 26, lines 10-25; page 27, lines 8-10]. Such information may be used, for example, in determining whether a benefit variation condition has been satisfied.

Claim 3 is further advantageous in that it provides that *said qualifying action is associated with a second recipient of said coupon*. A benefit for a coupon may change depending on the actions of one or more initial recipients. [Specification, page 14, lines 20-23]. Thus, a qualifying action may be associated with one initial recipient, and a benefit associated with another initial recipient. As also discussed in the present application, a qualifying action may be based, for example, on actions of people or downstream recipients who receive the coupon or a copy of the coupon from an initial recipient. For instance, the coupon's benefit for an initial recipient may increase when a downstream recipient redeems the coupon, registers the coupon, forwards the coupon, etc., the redemption, registration, or forwarding of the coupon constituting qualifying actions. [Specification, page 16, lines 5-12].

Typically, completion of a qualifying action will result in a change to the coupon's benefit. [Specification, page 27, lines 6-7]. By *updating said coupon's benefit in accordance with said benefit variation condition*, an entity (e.g., the coupon offer issuer) can adjust the benefit associated with a coupon. For example, based on the notice of completion of the qualifying action and other aspects of the benefit variation condition (e.g., how much to increase or decrease

a benefit, validity duration conditions), a change to the coupon's benefit may be determined and the benefit updated. In one example, a coupon having an initial benefit of five dollars may increase its benefit by two dollars if the initial recipient registers or forwards the coupon with five days of receiving the coupon in accordance with a benefit variation condition. [Specification, page 21, lines 20-22].

Claim 3 is further advantageous in that *the updated benefit of said coupon is associated with a first recipient of said coupon.*¹ As discussed above, the coupon's benefit for an initial recipient may increase when another initial recipient or a downstream recipient redeems the coupon or performs some other qualifying action. Thus, Claim 3 advantageously provides for wherein a first recipient may receive an updated benefit of a coupon based on the actions of a different recipient of the coupon. In one embodiment, an initial recipient, for example, may thus be encouraged to forward duplicates of a coupon to friends and family, while maintaining a coupon or copy of the coupon for himself. [Specification, page 18, lines 26-29].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

5.3. No Prima Facie Showing of Obviousness of GROUP I

The Examiner has based his rejections of the claims of GROUP I on a view of the prior art which is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence

supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP I.

5.3.1. The Proper Legal Standard under 35 U.S.C. § 103(a)

The Examiner bears the burden of establishing a prima facie case of obviousness based upon the prior art. In re Fritch, 972 F.2d 1260, 1265 (Fed. Cir. 1992). To reject claims in an application under Section 103, an examiner must show an unrebutted prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

The factual predicates underlying an obviousness determination include the scope and content of the prior art, the differences between the prior art and the claimed invention, and the level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The secondary considerations are also essential components of the obviousness determination. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned. In re Oetiker, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

When a rejection is based on a combination of references, the Examiner can satisfy the prima facie burden only by showing some objective teaching

leading to the purported combination of references. In re Fritch, 972 F.2d 1260, 1265 (Fed. Cir. 1992). Lacking a motivation to combine references, there is no prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1358 (Fed. Cir. 1998).

Finally, during examination, claims are given their broadest reasonable interpretation consistent with the specification. In re Hyatt, 211 F.3d 1367 (Fed. Cir. 2000). The “PTO applies to verbiage of the proposed claims the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in applicant’s specification.” In re Morris, 127 F.3d 1048, 1054-55 (Fed. Cir. 1997).

5.3.2. Substantial evidence is required of all factual findings

In a determination of obviousness, factual findings as to scope and content of the prior art, level of ordinary skill in the art, differences between the claimed invention and the prior art, and secondary considerations of nonobviousness must be supported by substantial evidence. Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

"[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002).

5.3.3. Absent substantial evidence, no prima facie case exists

To reject claims in an application under Section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998).

The initial burden of presenting a prima facie case of obviousness is upon the examiner. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992). If the examiner fails to establish a prima facie case, the rejection is improper and will be overturned. In re Rijckaert, 9 F.3d 1531, 1532 (Fed. Cir. 1993); Novamedix Distrib. Ltd. v. Dickinson, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

5.3.4. No showing that the references suggest *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*

The Examiner has not shown that the references, alone or in combination, suggest *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 3 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

Other Factual Findings

Nonetheless, the Examiner might be relying on a repeated conclusory statement that Christensen “shows elements that suggest” all of the limitations recited in each of the ninety-two appealed claims. [Third Office Action, pages 4-10]. Specifically with respect to the limitations recited in Claim 3, the Examiner asserts only that Chistensen “shows elements that suggest the elements and limitations of claims 2-47.” [Third Office Action, page 5].

In fact, Christensen lacks any hint of such a feature.

The only relevant description of Christensen by the Examiner consists of, for each of the seventy dependent claims being appealed, a sentence that Christensen “lacks explicit recitation of the elements and limitations of [the claims], even though Christensen suggests same.” [Third Office Action, pages 6, 7, 8 and 9].

No reasoning or explanation is provided for these conclusory statements. In other words, the Examiner’s rejection lies solely on the bald assertion that all of the limitations recited in Claim 3 (as well as in every other appealed dependent claim) are “suggested” by elements of Chistensen.

No further reasoning is provided for the Examiner's interpretation of Christensen. Appellants have traversed these omnibus assertions as to what

Christensen supposedly "suggests." [Appellants' First Response ("Christensen Does Not Suggest All of the Features of All of Claims 1-167"), page 39].

Appellants have also requested that the Examiner clarify what features of the pending claims Christensen teaches or suggests by providing the most relevant citations for the subject matter that the Examiner believes suggests each particular feature of all of the claims. Appellants have also pointed out the inexplicable identity of the portions cited in both Christensen and Kanter. [Appellants' First Response ("Applicants Request Further Clarification to Aid in Examination"), pages 38-39].

The Examiner has never provided any additional findings or clarification in any subsequent Office Action.

The Examiner has never identified any particular limitation recited in any of the seventy appealed dependent claims. Thus, despite the Examiner's superficial adherence to the language and form of an obviousness rejection, it does not appear that the Examiner has actually examined any particular limitation of Claim 3 (or any other dependent claim).

More specifically, there is no discussion of the specific limitation of *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon anywhere* in any Office Action.

The Examiner does not assert that Kanter discloses or suggests this feature. Kanter is described only as showing "elements that suggest the 'variation condition' elements and limitations of claim 1" (from which Claim 3 depends). [Third Office Action, page 4].

These Findings Have No Support in the Record

There is no substantial evidence in the record that Chistensen or any other reference would suggest *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon* (or any limitation recited in any of the appealed dependent claims).

The only discussion of Chistensen consists of, for every one of the ninety-two appealed claims, a mere conclusory statement that Chistensen "shows elements that suggest" the entire claim. Nowhere in any Office Action has the Examiner asserted what any portion of Chistensen explicitly discloses.

Chistensen does not disclose, suggest or even hint at a qualifying action associated with one recipient a coupon and an updated benefit associated with a different recipient of that same coupon. In Chistensen, a particular consumer merely chooses one or more coupons to print. The system tracks redemption of the coupons by that consumer. There is no hint of any action by any other person, much less a recipient of the same coupon, having anything to do with the benefit of a coupon. Accordingly, Chistensen does not even hint at *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*.

In supporting his conclusory characterization of Chistensen, the Examiner refers to nearly every line of Chistensen (see Third Office Action, page 5), none of which is at all relevant to *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*. Appellants have requested that the Examiner

identify the most relevant citations for the disclosure of Christensen that the Examiner believes suggests each particular limitation of Claim 3. [Appellants' First Response ("Christensen Does Not Suggest All of the Features of All of Claims 1-167"), page 39].

Tellingly, the Examiner has never offered any further clarification or reasoning.

Kanter does not disclose or suggest *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*. The Examiner does not assert otherwise.

Thus, in summary, the Examiner has inappropriately relied upon Official Notice. The references, alone or in combination, do not suggest a limitation of *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*. The Examiner otherwise has failed to provide substantial evidence to support even a *prima facie* case of obviousness. The rejection fails for at least this reason.

5.3.5. No showing that the references suggest *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action or updating said coupon's benefit in accordance with said benefit variation condition*

The Examiner has not shown that the references, alone or in combination, suggest either *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action or updating said coupon's benefit in accordance with said benefit variation condition* as recited in independent Claim 1 (from which Claim 3 depends)

Factual Findings

The closest the Examiner comes is the statement that “Christenson [sic] fig 14 as well as Kanter [show] benefit variation and variation condition respectively.” [Examiner's Interview Summary]. In the Third Office Action, the Examiner asserts that Kanter “shows elements that suggest the ‘variation condition’ elements and limitations of claim 1” and that “Kanter proposes ‘variation condition’ modifications that would have applied to the system of Christensen.” [page 4].

As best understood by Appellants, therefore, the Examiner is relying on Christensen (perhaps in FIG. 14) as teaching “benefit variation” of a coupon and on Kanter as teaching “variation condition” of a coupon.

In fact, Christensen and Kanter lack any hint of such features.

The Examiner also may be relying on the conclusory statement that Christensen “shows elements that suggest” all of the limitations recited in every appealed claim. [Third Office Action, pages 4-10]. Specifically with respect to the above limitation, the Examiner asserts that Chistensen “shows elements that suggest the elements and limitations of claim 1,” including “the ‘variation condition’ elements and limitations.” [Third Office Action, page 4].

The only relevant description of Christensen by the Examiner consists of a sentence that Christensen “lacks explicit recitation of the ‘variation condition’ elements and limitations, even though Christensen suggests same.” [Third Office Action, page 4]. The only relevant description of Kanter by the Examiner consists of the sentences that Kanter “shows elements that suggest the ‘variation condition’ elements and limitations of claim 1” and that “Kanter proposes ‘variation condition’ modifications that would have applied to the system of Christensen.” [Third Office Action, page 4].

No reasoning or explanation is provided for these conclusory statements. Appellants have traversed these omnibus assertions as to what Christensen and Kanter supposedly “suggest.” [Appellants’ First Response, pages 39 (“Christensen Does Not Suggest All of the Features of All of Claims 1-167”) and 40]. Appellants have also requested that the Examiner clarify what features of the pending claims the references teach or suggest by providing the most relevant citations for the subject matter that the Examiner believes suggests each particular feature of all of the claims. Appellants have also pointed out the inexplicable identity of portions cited in both Christensen and Kanter. [Appellants’ First Response (“Applicants Request Further Clarification to Aid in Examination”),

pages 38-39]. Particularly, with respect to all of the appealed claims and without reference to any particular feature, the Examiner merely asserts:

Christensen (the ABSTRACT; FIG. 1 through FIG. 14; col. 1, ll. 13-65; col. 2, ll. 3-67; col. 3, ll. 4-57; col. 4, ll. 15-63; col. 5, ll. 29-67; col. 6, ll. 1-65; col. 7, ll. 67; col. 8, ll. 1-67; col. 9, ll. 1-65; col. 10, ll. 1-67; col. 11, ll. 4-65; col. 12, ll. 4-65; col. 13, ll. 18-67; col. 14, ll. 1-67; col. 15, ll. 1-67; col. 16, ll. 1-60; and col. 17, ll. 1-44) shows elements that suggest the elements and limitations

of all of the claims. [Third Office Action, pages 4-10]. Further, the Examiner asserts:

Kanter (the ABSTRACT; FIG. 1; col. 1, ll. 13-65; col. 2, ll. 3-67; col. 3, ll. 4-57; col. 4, ll. 15-63; col. 5, ll. 29-67; col. 6, ll. 1-65; col. 7, ll. 67; col. 8, ll. 1-67; col. 9, ll. 1-65; col. 10, ll. 1-67; col. 11, ll. 4-65; col. 12, ll. 4-65; col. 13, ll. 18-67; col. 14, ll. 1-67; col. 15, ll. 1-67; col. 16, ll. 1-60; col. 17, ll. 1-44; col. 18, ll. 7-67; col. 19, ll. 1-67; col. 20, ll. 1-67; col. 21, ll. 1-67; col. 22, ll. 1-67; col. 23, ll. 2-67; col. 24, ll. 1-67; col. 25, ll. 1-67; col. 26, ll. 1-67; col. 27, ll. 1-67; and col. 28, ll. 1-67) shows elements that suggest

various elements of all of appealed independent Claims **1, 48, 58, 87, 94, 95, 144-153 and 162-167**. The asserted citations as to where relevant disclosure may supposedly be found in the Kanter reference are identical to the citations provided for the Christensen reference for the first seventeen columns.

With the exception of noting FIG. 14 of Christensen during the Interview, the Examiner has never provided any additional findings or clarification in the record. The Examiner has never clarified as to how FIG. 14 in particular shows a “benefit variation.”

These Findings Have No Support in the Record

There is no substantial evidence in the record that Chistensen or Kanter would suggest *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action, much less updating said coupon's benefit in accordance with said benefit variation condition.*

The only discussion of Chistensen consists of, for every one of the appealed claims, a mere conclusory statement that Chistensen "shows elements that suggest" the entire claim. Nowhere in any Office Action has the Examiner asserted what any portion of Chistensen explicitly discloses.

FIG. 14 is devoid of any hint of "benefit variation" of a coupon. FIG. 14 is a further detail of FIG. 6. [Column 5, line 24]. Each of FIG. 6 and FIG. 14 illustrates a display coupon menu from which "a consumer may select a coupon for printing by clicking on the coupon or selecting the coupon using a pull-down menu or the like." [Column 9, lines 9-14].

Thus, there is no suggestion in either figure (or accompanying text) that the benefit of a particular coupon in the Christensen system may vary, much less a condition by which the benefit of a coupon may vary, much less a qualifying action associated with a benefit variation condition.

Also, contrary to the Examiner's assertion, Kanter is devoid of any hint or suggestion of a "variation condition," much less *a benefit variation condition for said coupon*, as recited in independent Claim 1. Kanter describes:

an incentive program which also allows a sponsoring financial institution to issue to participants, rebates...which can be redeemed in cash, coupons, checks, catalog products, trips, goods or service from designated merchants, or any combination thereof

[Column 15, lines 19-25.] Kanter thus describes a system in which a rebate may be redeemed in the form of a coupon. There is nothing in Kanter, however, that would suggest that a coupon in the Kanter system, once issued to a participant, has a variable benefit, or is associated with a condition for such variation. To the contrary, the coupon, like the alternatives of cash or catalog products, is merely a fixed form of the issued rebate.

Accordingly, there is nothing in either Christensen or Kanter, alone or in combination, that would suggest *a benefit variation condition of a coupon*, much less that *the benefit variation condition has at least one associated qualifying action*, much less *updating said coupon's benefit in accordance with said benefit variation condition*.

In supporting his conclusory characterizations of Christensen and Kanter, the Examiner refers to nearly every line of each reference (see Third Office Action, page 5), none of which is at all relevant to *a benefit variation condition of a coupon*, much less that *the benefit variation condition has at least one associated qualifying action*. Appellants have requested that the Examiner identify the most relevant citations for the disclosure of Christensen that the Examiner believes suggests each particular limitation of Claim 1. [Appellants' First Response ("Christensen Does Not Suggest All of the Features of All of Claims 1-167"), page 39].

Tellingly, with the exception of the reference to FIG. 14 of Christensen, the Examiner has never offered any further clarification or reasoning.

Thus, the references, alone or in combination, do not suggest a limitation of *establishing a benefit variation condition for said coupon, said benefit variation*

condition having at least one associated qualifying action or updating said coupon's benefit in accordance with said benefit variation condition. The Examiner otherwise has failed to provide substantial evidence to support even a *prima facie* case of obviousness. The rejection fails for at least this reason.

5.3.6. No showing of a proper motivation to combine the references

Each rejection, including the rejection of Claim 3, includes a combination of the Christensen and Kanter references. The rejection of Claim 3 further includes a modification of the proposed combination. The Examiner simply has not shown a motivation in the prior art of record to modify or combine the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

Applicable Law

Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. In re Fine, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); In re Jones, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992). Furthermore, particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed. In re Kotzab, 217 F.3d 1365, 1371 (Fed. Cir. 2000) (emphasis added).

A finding of obviousness requires that the art contain something to suggest the desirability of the proposed combination. In re Grabiak, 769 F.2d 729, 732 (Fed. Cir. 1985). In the absence of such a showing, there is inadequate support for the position that the proposed modification would prima facie have been obvious. Id. The absence of such a suggestion to combine is dispositive in an obviousness determination. Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1579 (Fed. Cir. 1997).

When the art in question is relatively simple, the opportunity to judge by hindsight is particularly tempting. Consequently, the tests of whether to combine references need to be applied rigorously. McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1352 (Fed. Cir. 2001). In each case the factual inquiry whether to combine references must be thorough and searching. Id., at 1352 - 53.

No Substantial Evidence of a Motivation to Combine

The Examiner has proposed that one of ordinary skill in the art at the time the invention was made would have combined Chistensen with Kanter for two reasons. According to the Examiner, such a combination

(A) “would have provided means for ‘a participant can join in a merchant’s multilevel selling campaign and/or incentive award program and redeem their earnings.... wherein discounts apply on calls placed to certain individuals by those that recruited the individuals.... To provide an incentive award program which can motivate participants to make referrals on behalf of the program....’ (see Kanter (col. 13, ll. 13-20; col. 14, ll. 20-25; and col. 15, ll. 3-5))”; and

(B) “would have provided means ‘to improve consumer response to coupon distribution campaigns....It is a further object of the

present invention to provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.’ (see Christensen (col. 4, ll. 40-60)).”

[Third Office Action, pages 3-4].

It is worth noting that the identical "motivations" are relied upon for the rejection of every appealed claim. In other words, the same “motivations” are relied upon, not only for the asserted combination of Christensen and Kanter, but also for the alleged obviousness of modifying that combination to provide every additional limitation(s) of each dependent claim, regardless of the claimed subject matter.

The proposed motivations for combining Christensen and Kanter fail for three reasons:

(i) the proposed motivations would not have actually prompted one to make the combination;

(ii) the combination would not in any way further the proposed motivations; and

(iii) the combination has nothing to do with the limitations of Claim 3.

With respect to reason (i), Motivation A of Kanter would not cause one to seek out a promotion system that relies exclusively on coupon distribution and redemption, much less the particular coupon system of Christensen. Christensen has nothing to do with “multilevel selling” on behalf of a merchant, an “incentive award program” in which participants can “redeem their earnings,” or motivating “participants to make referrals on behalf of the program.” Further, Christensen has nothing to do with either placing calls or discounts on calls, much less “wherein discounts apply on calls placed to certain individuals by those that

recruited the individuals.” Accordingly, Motivation A would not have caused one to seek out Christensen.

Motivation B of Christensen would not cause one to seek out a system that disparages coupon distribution campaigns, much less the particular system of Kanter. Kanter has nothing to do with “improv[ing] consumer response to coupon distribution campaigns” or “provid[ing] more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.” In fact, as discussed in Section 3.3 above, Kanter teaches away from such promotional campaigns as time consuming, confusing and an “administrative nightmare.” Accordingly, Motivation B would not have caused one to seek out Kanter.

With respect to reason (ii), the combination (Chistensen and Kanter) does not further the proposed Motivation A or Motivation B. Chistensen does not in any way allow a customer to achieve discounts “on calls placed to certain individuals by those that recruited the individuals...[or to] provide an incentive award program which can motivate participants to make referrals on behalf of the program.” Kanter does not in any way provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.

With respect to reason (iii), neither Motivation A nor Motivation B would suggest the desirability of modifying the coupon distribution system of Christensen to provide specifically for the feature of *establishing a benefit variation condition of said coupon, said benefit variation condition having at least one associated qualifying action*, as recited in independent Claim 1 (on which Claim 3 depends). The Examiner does not provide any reasoning or

support in the evidence of record as to why the asserted desirability of "a merchant's multilevel selling campaign and/or incentive award program and redeem their earnings," "an incentive award program which can motivate participants to make referrals on behalf of the program," "to improve consumer response to coupon distribution campaigns," or "to provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign", would specifically suggest to one of ordinary skill in the art the desirability of *establishing a condition for varying the benefit of a coupon* in the Christensen system to meet any of the asserted desirable objectives.

Also, the asserted motivation "wherein discounts apply on calls placed to certain individuals by those that recruited the individuals" suggests neither that a benefit of a coupon may vary, nor *a condition for varying the benefit of a coupon*, much less a motivation for modifying the coupon distribution campaign system of Christensen. In fact, Kanter describes such "discounts on calls" as an incentive that was not available in the prior art to be offered by "any company that is not a telecommunication service distributor, as obviously, such companies do not sell telecommunication services." [Column 14, lines 16-26.] It is not clear to Applicants how Kanter's description of how discounts on calls were previously unavailable as incentives for non-telecommunication companies suggests either a motivation to *establish a benefit variation condition of a coupon* or a motivation to modify the coupon distribution campaign system of Christensen.

Thus, the combination of Christensen and Kanter has nothing to do with the embodiment of Claim 3. Further, as described above, any such combination would still lack all of the features of Claim 3, and these features have significant

advantages. Finally, any such combination would not solve any of the problems addressed by the embodiment of Claim 3.

Also, the Christensen and Kanter references are not analogous art. It is a described object of the Christensen system to improve consumer response to coupon distribution campaigns, to provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign, and to reduce the incidence of fraud in the redemption of coupons or copying of coupons. [Column 4, lines 43 - 54]. Christensen is accordingly directed to an apparatus and method for distributing, generating, authenticating, and redeeming discount coupons and the like electronically. [Column 1, lines 5 - 7]. In contrast, Kanter explicitly teaches away from these objects of Christensen. As described in Kanter, coupon distribution campaigns involve a promotional technique that is "an administrative nightmare," is "very time consuming," "can have a detrimental effect on a merchant's cash flow," is confusing to consumers, and "creates massive paper waste." [Column 1, line 32 to Column 2, line 7]. "Coupons" are described in Kanter solely as a form of redeemed earnings awarded in an incentive program, and not as part of an advertising or promotional campaign, as described in Christensen.

5.3.7. No showing of a proper motivation to modify the references

Even if the Examiner had established substantial evidence of a motivation to make the proposed combination of Christensen and Kanter (which Appellants dispute above), the Examiner has failed to provide substantial evidence of a

motivation to modify that combination to provide for the feature of *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*.

As noted above, the Examiner relies on the same Motivation A and Motivation B as suggesting the desirability of this particular feature (and all features of all seventy dependent claims). [Third Office Action, page 6].

Neither Motivation A nor Motivation B, however, has anything to do with a qualifying action associated with a second recipient of the same coupon. The Examiner also does not even purport to explain how providing for the claimed feature would further either Motivation A or Motivation B.

Thus the Examiner has not shown a motivation in the prior art of record to combine or modify the references in any manner that renders the claims of GROUP I obvious. The rejection fails for at least this reason.

5.3.8. Level of Skill

Applicable Law

A factual predicate underlying an obviousness determination is the level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The skill level is one component of the inquiry for a suggestion to combine. In re Rouffet, 149 F.3d 1350, 1359 (Fed. Cir. 1998).

Lacking a motivation to combine, there is no prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1358 (Fed. Cir. 1998). If examination at the initial stage does not produce a prima facie case of unpatentability, then

without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

Factual Findings

Though required to do so, the Examiner has not set forth any evidence relating to the level of ordinary skill in the art, and has not even alleged what the level of skill in the art would be. The rejection fails for at least this reason.

5.4. The Claims of GROUP I are Allowable Over the Cited References

As described above, the Examiner has failed to provide a *prima facie* showing of anticipation of the claims of GROUP I in light of either Christensen or Kanter.

In addition, as described above, neither of the references anticipates the claims of GROUP I.

In addition, the references cannot be combined in any manner that would render the claim of GROUP I obvious.

5.4.1. The references do not suggest all of the features

As discussed in Section 5.3 above, the cited references, alone or in combination, do not suggest the features of:

- *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action*

- *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*

as provided for in Claim 3.

Accordingly, the references, alone or in combination, cannot teach or suggest all of the features of the claim of GROUP I.

5.4.2. No motivation to combine the references

As discussed in Section 5.3.6 and Section 5.3.7 above, the Examiner's purported finding of a suggestion in the record to make the combination and modification of the references does not in fact support any such modification or combination.

Further, Kanter teaches away from any combination with a promotion system based on coupon distribution, like Christensen.

5.5. The Claims of GROUP I are Statutory

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

In addition, the terseness of the rejection and lack of any analysis renders the rejection hopelessly vague and unreviewable.

5.5.1. The Basis for the Rejection

As best as Appellants understand the rejection of the claims of GROUP I (and all of the other method claims) as being directed to non-statutory subject matter, the basis for that rejection is:

- the claims are not “limited by language in the claims to a practical application within the technological arts associated with activity within a computer” [Third Office Action, page 3].

To the extent the rejection actually applied a standard that requires additional criteria or otherwise departs from the requisite legal analysis under § 101, the rejection is flawed.

Further, to the extent the rejection is based on a standard that departs from the policy of the U.S. Patent and Trademark Office without a rational basis, that standard is arbitrary.

5.5.2. The Proper Legal Test for Statutory Subject Matter

Whether a patent claim is directed to statutory subject matter under 35 U.S.C. § 101 is a question of law. AT & T Corp. v. Excel Communications, Inc., 172 F.3d 1352, 1355, 50 USPQ2d 1447, 1449 (Fed. Cir. 1999).

The proper legal test for the presence of statutory subject matter is only that a claimed process or apparatus produce a “useful, concrete and tangible result”. See, e.g., State Street Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368, 1375, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093, 142 L. Ed. 2d 704, 119 S. Ct. 851 (1999) (“For purpose of our analysis, as noted above, claim 1 is directed to a machine programmed with the Hub and

Spoke software and admittedly produces a ‘useful, concrete, and tangible result.’ ... This renders it statutory subject matter, even if the useful result is expressed in numbers, such as price, profit, percentage, cost, or loss.”); AT & T Corp., 172 F.3d at 1361 (“[T]he focus is understood to be not on whether there is a mathematical algorithm at work, but on whether the algorithm-containing invention, as a whole, produces a tangible, useful, result.”). See also, State Street Bank, 149 F.3d at 1373 (“In Alappat, we held that data, transformed by a machine through a series of mathematical calculations to produce a smooth waveform display on a rasterizer monitor, constituted a practical application of an abstract idea ... because it produced ‘a useful, concrete and tangible result’--the smooth waveform); State Street Bank, 149 F.3d at 1373 (“in Arrhythmia Research Technology Inc. ... , we held that the transformation of electrocardiograph signals from a patient’s heartbeat by a machine through a series of mathematical calculations constituted a practical application of an abstract idea ... because it corresponded to a useful, concrete or tangible thing--the condition of a patient’s heart” (citations omitted)).

It is noted that the threshold for utility is not high – an invention is “useful” under Section 101 if it is capable of providing some identifiable benefit. Juicy Whip Inc. v. Orange Bang Inc., 185 F.3d 1364, 1367, 51 USPQ2d 1700, 1703 (Fed. Cir. 1999). This is to be contrasted with an invention which “is useful only in the sense that it may be an object of scientific research.” Brenner v. Manson, 383 U.S. 519, 532 (1966). The invention must have “substantial utility”, in other words a “specific benefit” which “exists in currently available form”. Id. at 534 - 35.

While other criteria, if satisfied, may be useful in indicating the presence of a “useful, concrete and tangible result” (and therefore indicate that a claim is to statutory subject matter), the absence of such criteria does not preclude a finding of statutory subject matter. The “ultimate issue” always has been whether a claim as a whole is drawn to statutory subject matter. See, AT & T Corp., 172 F.3d at 1359. Such other criteria are not requirements, but merely some of several ways that can demonstrate that an invention produces a useful, concrete and tangible result.

For example, the reciting of physical limitations may be helpful, but are not necessary to render a claim statutory. AT & T Corp., 172 F.3d at 1359 (“Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value....”). Even where a claim incorporates a mathematical algorithm, in contrast to focusing on a physical limitations inquiry, the inquiry deemed the “ultimate issue” “focuses on whether the mathematical algorithm is applied in a practical manner to produce a useful result.” AT & T Corp., 172 F.3d at 1359-60.

In another example, a physical transformation by a claimed process is one example (but not a requirement) of how a mathematical algorithm may bring about a useful application. AT & T Corp., 172 F.3d at 1357. See also, Diamond v. Diehr, 450 U.S. 175, 192, 67 L. Ed. 2d 155, 169, 101 S. Ct. 1048, 1059-60 (1981) (the “e.g.” signal denotes that physical transformation is an example, not an exclusive requirement for satisfying § 101); Arrhythmia Research Tech., 958 F.2d 1053, 1060, 22 U.S.P.Q.2D 1033, 1039 (Fed. Cir. 1992) (the transformation simply confirmed that Arrhythmia’s method claims satisfied § 101 because the

method produced a number which had specific meaning - a useful, concrete, tangible result - not a mathematical abstraction).

Certain features are not helpful to the proper analysis, and have no bearing on the presence of statutory subject matter. For example, whether a result of a claim is expressed in numbers makes no difference. State Street Bank, 149 F.3d at 1374, (“[E]ven if the useful result is expressed in numbers, such as price, profit, percentage, cost or loss,” the invention that produces that useful result is statutory); Arrhythmia, 958 F.2d at 1060 (“That the product is numerical is not a criterion of whether the claim is directed to statutory subject matter.”).

When a mathematical algorithm included within a claimed process is “applied to produce a number which had specific meaning - a useful, concrete, tangible result - not a mathematical abstraction”, that process claim satisfies § 101. AT & T Corp., 172 F.3d at 1357, (citing Arrhythmia, 958 F.2d at 1060). Under the proper standard, claims have been found statutory because they produced useful results such as “a final share price”, State Street Bank, 149 F.3d at 1373; a “value of a PIC indicator” which represents “information about the call recipient’s PIC”, AT & T Corp., 172 F.3d at 1357; and a condition of a patient’s heart, Arrhythmia, 958 F.2d at 1060.

In discussing this proper legal test, the Court of Appeals for the Federal Circuit has also acknowledged the judicially-created exceptions to statutory subject matter. See, e.g., AT & T Corp., 172 F.3d at 1355 (“[The Supreme Court] has specifically identified three categories of unpatentable subject matter: ‘laws of nature, natural phenomena, and abstract ideas.’” (quoting Diamond v. Diehr, 450 U.S. at 185)); State Street Bank, 149 F.3d at 1373. The Court also clarified

that “certain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of practical application, i.e., ‘a useful, concrete and tangible result.’” State Street Bank, 149 F.3d at 1373. Clearly, a claimed invention that satisfies this proper standard for statutory subject matter (e.g., by producing a useful, concrete and tangible result) cannot, by definition, also fall within one of the judicially-created exceptions to statutory subject matter (e.g., abstract ideas).

5.5.3. The Claims Meet the Standard for Statutory Subject Matter

The pending claims produce a useful, concrete and tangible result.

The Examiner in the Third Office Action provided a new basis for rejection under § 101, discussed herein. The Examiner did not mention at all whether the appealed claims have a useful, concrete and tangible result. Accordingly, the Examiner has not provided any factual evidence that Claim 3 (or any appealed claim) does not produce a useful, concrete and tangible result.

The claims of GROUP I all depend from independent Claim 1, which includes the limitation of *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action*. As explained in the present application, establishing the benefit variation condition for a coupon thus provides a recipient of the coupon with an incentive to perform at least one of the associated qualifying actions that will increase the benefit of the coupon. [Specification, page 14, lines 17-34].

Establishing such a condition and associating such a qualifying action thus results in a useful, concrete and tangible result – information about a coupon which, in some embodiments, may be useful in influencing a recipient’s behavior in ways desirable to a merchant or coupon issuer (*e.g.*, by encouraging the recipient to perform a qualifying action). The benefit variation condition and associated qualifying action may be relied upon by the issuer and the recipient. In this sense, the information described in Claim 3 is like the “final share price” deemed to be a useful, concrete and tangible result in State Street Bank. The processes claimed can by no stretch of the imagination be classified as “abstract ideas,” and are thus properly defined statutory processes.

The claims of GROUP I also include the limitation of *said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon*. Typically, completion of a qualifying action will result in a change to the coupon’s benefit. [Specification, page 27, lines 6-7]. By *updating said coupon’s benefit in accordance with said benefit variation condition*, an entity (*e.g.*, the coupon offer issuer) can adjust the benefit associated with a coupon. [See, *e.g.*, Specification, page 21, lines 20-22].

Updating a benefit thus results in a useful, concrete and tangible result – a changed benefit for a coupon which, in some embodiments, may be provided to a user. The updated benefit may be relied upon by the issuer and the recipient. In this sense, the updated benefit described in Claim 3 is like the “final share price” deemed to be a useful, concrete and tangible result in State Street Bank. The

processes claimed can by no stretch of the imagination be classified as “abstract ideas,” and are thus properly defined statutory processes.

It is also worth noting that the requirement for a “useful invention” is to be evaluated for the invention, and is not dependent on the breadth of the claims. Thus, if one species of an invention claimed as a genus is found to be “useful”, utility for the genus is established. Raytheon Co. v. Roper Corp., 724 F.2d 951, 958, 220 USPQ 592, 598 (Fed. Cir. 1983), cert. denied, 469 U.S. 835 (1984) (“When a properly claimed invention meets at least one stated objective, utility under § 101 is clearly shown.”). Utility is to be evaluated in a simple “yes” or “no” fashion (i.e., does the invention as claimed possess or not possess utility). There is no subjective test for “utility” that must be deemed to be commensurate with the breadth of the claims being sought to be patented.

Moreover, the scope of the claims as presented encompass a variety of specific implementations of the claimed processes. Certain of these embodiments implicate the use of servers and / or devices in the processes. [See, *e.g.*, Specification, page 29, lines 14-30]. Such device-based species clearly fall within the broader generic definition of the claimed processes. Given that utility for a genus may be established through a recitation of utility of a species within that genus, a rejection that the generically claimed processes lack utility is clearly improper.

5.5.4. The Examiner Applied a Test Which is Contrary to Law

A Claim Need Not Be "limited by language in the claims to a practical application in the technological arts associated with activity within a computer"

“Activity within a computer” is not a legal requirement under § 101. Contrary to the Examiner’s implication, there is nothing in either Alappat or Diehr that supports the Examiner’s requirement of reciting “activity within a computer” in a process claim.

As explained by the Federal Circuit in AT & T:

[T]he Alappat inquiry simply requires an examination of the contested claims to see if the claimed subject matter as a whole is a disembodied mathematical concept representing nothing more than a "law of nature" or an "abstract idea," or if the mathematical concept has been reduced to some practical application rendering it "useful." Id. at 1544, 31 U.S.P.Q.2D (BNA) at 1557. In Alappat, we held that more than an abstract idea was claimed because the claimed invention as a whole was directed toward forming a specific machine that produced the useful, concrete, and tangible result of a smooth waveform display. See id. at 1544, 31 U.S.P.Q.2D (BNA) at 1557.

* * *

Whether stated implicitly or explicitly, we consider the scope of § 101 to be the same regardless of the form - machine or process - in which a particular claim is drafted. See, e.g., In re Alappat, 33 F.3d at 1581, 31 U.S.P.Q.2D (BNA) at 1589 (Rader, J., concurring) ("Judge Rich, with whom I fully concur, reads Alappat's application as claiming a machine. In fact, whether the invention is a process or a machine is irrelevant. The language of the Patent Act itself, as well as Supreme Court rulings, clarifies that Alappat's invention fits comfortably within 35 U.S.C. § 101 whether viewed as a process or a machine."); State Street, 149 F.3d at 1372, 47 U.S.P.Q.2D (BNA) at 1600 ("For the purposes of a § 101 analysis, it is of little relevance whether claim 1 is directed to a 'machine' or a 'process,'").

AT & T, 172 F.3d at 1357-58.

Accordingly, the subject matter at issue in Alappat was deemed statutory not because it recited “activity within a computer,” but because even though it

included a mathematical concept, the claimed subject matter as a whole reduced the mathematical concept to a practical application, rendering it "useful."

Although Alappat was claimed as a machine, the scope of § 101 is the same regardless of the form in which a particular claim is drafted.

It is a misunderstanding of Federal Circuit case law to contend that process claims lacking limitation to "activity within a computer" or other type of physical limitation are not patentable subject matter. AT & T, 172 F.3d at 1359. This type of analysis derives from a prior test for statutory subject matter which has been discredited. AT&T at 1359 ("Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value ..."). This type of physical limitations analysis is of little value in the § 101 analysis because "the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a 'useful, concrete and tangible result.'" AT & T 172 F.3d 1352, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999). Even where a claim incorporates a mathematical algorithm, in contrast to focusing on a physical limitations inquiry, the inquiry deemed the "ultimate issue" "focuses on whether the mathematical algorithm is applied in a practical manner to produce a useful result." AT & T Corp., 172 F.3d at 1359-60.

A physical transformation by a claimed process is one example (but not a requirement) of how a mathematical algorithm may bring about a useful application. AT & T Corp., 172 F.3d at 1357. See also, Diamond v. Diehr, 450 U.S. 175, 192, 67 L. Ed. 2d 155, 169, 101 S. Ct. 1048, 1059-60 (1981) (the "e.g.")

signal denotes that physical transformation is an example, not an exclusive requirement for satisfying § 101); Arrhythmia Research Tech., 958 F.2d 1053, 1060, 22 U.S.P.Q.2D 1033, 1039 (Fed. Cir. 1992) (the transformation simply confirmed that Arrhythmia's method claims satisfied § 101 because the method produced a number which had specific meaning - a useful, concrete, tangible result - not a mathematical abstraction).

5.5.5. The Examiner Has Not Even Applied His Test to GROUP

I

Other than the conclusory statement that the claims fail to satisfy the standard(s) described above, there is no explanation of why the particular claims of GROUP I "are not limited by language in the claims to a practical application within the technological arts associated with activity within a computer."

The Examiner has not set forth in the record any factual findings, such as:

- how various claim terms of Claim 3 (or any other claim of GROUP I) have been construed (*e.g., receiving notice of a completion of said at least one qualifying action, and updating said coupon's benefit in accordance with said benefit variation condition*); and
- what exactly constitutes "language in the claims to a practical application within the technological arts associated with activity within a computer."

Absent any findings, the result of the test purportedly applied cannot be evaluated, and must be considered arbitrary.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to the rejected claims, which are all directed to statutory subject matter. Thus the Examiner has not provided a *prima facie* case that any claim of GROUP I is non-statutory.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group I, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group I, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP I are non-statutory. Accordingly, for at least those reasons, the claims of GROUP I are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

6. GROUP II

GROUP II includes dependent Claims **2, 9, 10, 12-22, 24-31, 39-41 44, 46 and 47**.

The rejection of the claim of GROUP II is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP II.

In particular, the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **2, 9, 10, 12-22, 24-31, 39-41 44, 46 and 47**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP II.

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications.

Also, the § 101 rejections fail because the Examiner has not applied the Federal Circuit's proper "useful, concrete and tangible result" standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language "associated with activity within a computer."

6.1. Claim 2

Claim 2 includes all of the limitations of Claim 1, from which Claim 2 depends.

Claim 2 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The at least one qualifying action is associated with at least one of the following: an initial recipient of said coupon; a primary recipient of said coupon; a secondary recipient of said coupon; and a tertiary recipient of said coupon.

Although the discussion and arguments below refer to Claim 2, they are likewise applicable to the remaining claims of GROUP II.

6.2. Advantages of Claim 2

The embodiment of Claim 2 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, as discussed in the present application, the method of Claim 2 is advantageous in that it provides for *establishing a benefit variation condition for a coupon, the benefit variation condition having at least one associated*

qualifying action. The present invention provides for a coupon having an initial or current value that is variable or alterable according to established benefit variation conditions. A benefit variation condition may be used in determining how a benefit for a coupon may be changed over time after the initial benefit of a coupon is established. A coupon recipient may be able to increase the benefit of the coupon by initiating, performing, or completing an established qualifying action for the coupon. Establishing the benefit variation condition for the coupon thus provides a recipient of the coupon with an incentive to perform at least one of the associated qualifying actions that will increase the benefit of the coupon. For example, a store may want to increase the benefit of a coupon associated with a specific product during periods of high or excess inventory of a product. [Specification, page 14, lines 17-34]. In another example, a benefit variation condition may be established for a coupon such that the coupon's benefit will increase if a recipient pays by a specific or designated brand credit card when making a purchase at a retail store using the coupon. [Specification, page 15, lines 16-19]. Other types of qualifying actions may include, for example, the initial recipient receiving or downloading the coupon, redeeming the coupon, registering the coupon, forwarding the coupon, etc. [Specification, page 16, lines 2-5].

As discussed in the present application, by *receiving notice of a completion of said at least one qualifying action*, an entity (e.g., a coupon offer issuer) can determine whether a recipient of the coupon has performed a qualifying action associated with a benefit variation condition. Such notices may include a forward indication, a registration indication, a redemption indication, a reception

indication, etc. For example, if a qualifying action is established for registration of a coupon, the recipient of the coupon registering the coupon will be deemed to have completed the qualifying action. [See, e.g., Specification, page 26, lines 10-25; page 27, lines 8-10]. Such information may be used in determining whether a benefit variation condition has been satisfied.

By updating said coupon's benefit in accordance with said benefit variation condition, an entity (e.g., the coupon offer issuer) can adjust the benefit associated with a coupon. For example, based on the notice of completion of the qualifying action and other aspects of the benefit variation condition (e.g., how much to increase or decrease a benefit, validity duration conditions), a change to the coupon's benefit may be determined and the benefit updated. In one example, a coupon having an initial benefit of five dollars may increase its benefit by two dollars if the initial recipient registers or forwards the coupon with five days of receiving the coupon in accordance with a benefit variation condition. [Specification, page 21, lines 20-22].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

6.3. No Prima Facie Showing of Obviousness of GROUP II

The Examiner has based his rejections of the claims of GROUP II on a view of the prior art which is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art.

Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP II.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

6.3.1. No showing that the references suggest *wherein said qualifying action is associated with at least one of the following: an initial recipient of said coupon; a primary recipient of said coupon; a secondary recipient of said coupon; and a tertiary recipient of said coupon.*

The Examiner has not shown that the references, alone or in combination, suggest *wherein said qualifying action is associated with at least one of the following:*

an initial recipient of said coupon;
a primary recipient of said coupon;
a secondary recipient of said coupon; and
a tertiary recipient of said coupon.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 2 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

Other Factual Findings

As discussed in Section 5.3.4 above (with respect to dependent Claim 3), the Examiner might be relying on the repeated conclusory statement that Christensen “shows elements that suggest” all of the limitations recited in each of the ninety-two appealed claims. [Third Office Action, pages 4-10]. Specifically with respect to the limitations recited in Claim 2, the Examiner asserts only that Chistensen “shows elements that suggest the elements and limitations of claims 2-47.” [Third Office Action, page 5].

In fact, Christensen lacks any hint of such a feature. As discussed in Section 5.3.4 above, no reasoning or explanation is provided for these conclusory statements, Appellants have traversed these omnibus assertions as to what Christensen supposedly “suggests,” the Examiner has never provided any additional findings or clarification in any subsequent Office Action, and the Examiner has never identified any particular limitation recited in any of the seventy appealed dependent claims. Thus, despite the Examiner’s superficial adherence to the language and form of an obviousness rejection, it does not appear that the Examiner has actually examined any particular limitation of Claim 2 (or any other dependent claim).

There is no discussion of the specific limitation of *wherein said qualifying action is associated with at least one of the following: an initial recipient of said coupon; a primary recipient of said coupon; a secondary recipient of said coupon; and a tertiary recipient of said coupon* anywhere in any Office Action.

The Examiner does not assert that Kanter discloses or suggests this feature. Kanter is described only as showing “elements that suggest the ‘variation

condition' elements and limitations of claim 1" (from which Claim 2 depends).
[Third Office Action, page 4].

These Findings Have No Support in the Record

There is no substantial evidence in the record that Chistensen or Kanter would suggest *wherein said qualifying action is associated with at least one of the following: an initial recipient of said coupon; a primary recipient of said coupon; a secondary recipient of said coupon; and a tertiary recipient of said coupon* (or any limitation recited in any of the appealed dependent claims).

The Examiner has inappropriately relied upon Official Notice. The references, alone or in combination, do not suggest the above limitation (or any recited limitation of the dependent claims of GROUP II. The Examiner otherwise has failed to provide substantial evidence to support even a *prima facie* case of obviousness. The rejection fails for at least this reason.

6.3.2. No showing that the references suggest *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action or updating said coupon's benefit in accordance with said benefit variation condition*

For the same reasons stated in Section 5.3.5 above, the Examiner has not shown that the references, alone or in combination, suggest *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action or updating said coupon's benefit in*

accordance with said benefit variation condition, as recited in independent Claim 1 (from which the claims of GROUP II depend).

6.3.3. No showing of a proper motivation to combine or modify the references

Each rejection of a dependent claim, including the rejection of the claims of GROUP II, includes a combination of the Christensen and Kanter references, and then a modification of that combination to provide for the additional limitation(s) of the dependent claim. The Examiner simply has not shown a motivation in the prior art of record to combine and / or modify the references in the manner proposed by the Examiner, or in any other manner that renders the claims of GROUP II obvious.

The applicable law is discussed in Section 5.3.6 above.

No Substantial Evidence of a Motivation to Combine

The Examiner relies on the same asserted motivations for all rejections. All of the claims of GROUP II depend directly or indirectly from independent Claim 1. As discussed in Section 5.3.6 above (with respect to Claim 3, which also depends from independent Claim 1), the Examiner has not provided substantial evidence of a motivation to combine the Christensen and Kanter references to provide specifically for the claimed features of either *establishing a benefit variation condition for said coupon*, *said benefit variation condition having at least one associated qualifying action* or *updating said coupon's benefit in accordance with said benefit variation condition*.

Also, as discussed in Section 5.3.6 above, the references are not analogous art.

The failure of the Examiner to make any finding of a level of skill in the art is discussed in Section 5.3.8 above with respect to independent Claim 3 (GROUP I).

No Substantial Evidence of a Motivation to Modify

The Examiner has also failed to provide substantial evidence of a motivation to modify the asserted combination of Christensen and Kanter to provide specifically for the feature of *wherein said qualifying action is associated with at least one of the following: an initial recipient of said coupon; a primary recipient of said coupon; a secondary recipient of said coupon; and a tertiary recipient of said coupon.*

The Examiner relies on the same Motivation A and Motivation B as suggesting the desirability of this particular feature (and all features of all seventy dependent claims). [Third Office Action, page 6].

Neither Motivation A nor Motivation B, however, has anything to do with a qualifying action, much less *wherein said qualifying action is associated with at least one of the following: an initial recipient of said coupon; a primary recipient of said coupon; a secondary recipient of said coupon; and a tertiary recipient of said coupon.* The Examiner also does not even purport to explain how providing for the claimed feature would further either Motivation A or Motivation B.

Thus, the Examiner has not shown a motivation in the prior art of record to combine or modify the references in any manner that renders the claims of GROUP II obvious. The rejection fails for at least this reason.

6.4. The Claims of GROUP II are Statutory

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

In addition, the terseness of the rejection and lack of any analysis renders the rejection hopelessly vague and unreviewable.

The basis for the rejection is the same as for all claims:

- the claims are not “limited by language in the claims to a practical application within the technological arts associated with activity within a computer” [Third Office Action, page 3].

As discussed in 5.5.4 above, the Examiner has applied a test that is contrary to law. The proper legal test for statutory subject matter is discussed in Section 5.5.2 above.

6.4.1. The Examiner Has Not Even Applied His Test to GROUP

II

Other than the conclusory statement that the claims fail to satisfy the standard(s) described above, there is no explanation of why the particular claims of GROUP II “are not limited by language in the claims to a practical application within the technological arts associated with activity within a computer.”

The Examiner has not set forth in the record any factual findings, such as:

- how various claim terms of Claim 2 (or any other claim of GROUP II) have been construed; and
- what exactly constitutes “language in the claims to a practical application within the technological arts associated with activity within a computer.”

Absent any findings, the result of the test purportedly applied cannot be evaluated, and must be considered arbitrary.

6.4.2. The Claims Meet the Standard for Statutory Subject Matter

The pending claims produce a useful, concrete and tangible result.

The Examiner in the Third Office Action provided a new basis for rejection under § 101, discussed herein. The Examiner did not mention at all whether the appealed claims have a useful, concrete and tangible result. Accordingly, the Examiner has not provided any factual evidence that Claim 2 (or any appealed claim) does not produce a useful, concrete and tangible result.

The claims of GROUP II all depend from independent Claim 1, which includes the limitations of *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action and updating said coupon's benefit in accordance with said benefit variation condition*. The useful concrete and tangible result(s) produced by claims including these limitations of independent Claim 1, the utility of the invention and the device-based species that fall within the broader generic

definition of the claimed processes, are discussed with respect to Claim 3 (GROUP I) in Section 5.5.3 above.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to the rejected claims, which are all directed to statutory subject matter. Thus the Examiner has not provided a *prima facie* case that any claim of GROUP II is non-statutory.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group II, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group II, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP II are non-statutory. Accordingly, for at least those reasons, the claims of GROUP II are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

7. GROUP III

GROUP III includes independent Claims **1 and 87**.

The rejection of the claims of GROUP III is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP III.

In particular, the Examiner has not shown all limitations of the claims of GROUP III to be disclosed or suggested by the references, alone or in combination, including:

- *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action; or*
- *updating said coupon's benefit in accordance with said benefit variation condition.*

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP III.

Also, the § 101 rejections fail because the Examiner has not applied the Federal Circuit's proper "useful, concrete and tangible result" standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language "associated with activity within a computer."

7.1. Independent Claim 1

Claim 1 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

Independent Claim 87 contains limitations substantially similar to those in Claim 1. Accordingly, arguments made herein with respect to Claim 1 are applicable equally to Claim 87.

7.2. Advantages of Claim 1

The embodiment of Claim 1 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of the method of Claim 1 provided by the limitations of *establishing a benefit variation condition for a coupon, the benefit variation condition having at least one associated qualifying action, by receiving notice of a completion of said at least one qualifying action, and by updating said coupon's benefit in accordance with said benefit variation condition*, are discussed with respect to Claim 3 (GROUP I) in Section 5.2 above.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

7.3. No Prima Facie Showing of Obviousness of GROUP III

The Examiner has based his rejections of the claims of GROUP III on a view of the prior art which is unsupported by the record. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP III.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

7.3.1. No showing that the references suggest *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action or updating said coupon's benefit in accordance with said benefit variation condition*

For the same reasons stated in Section 5.3.5 above, the Examiner has not shown that the references, alone or in combination, suggest *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action or updating said coupon's benefit in accordance with said benefit variation condition*, as recited in independent Claim 1.

7.3.2. No showing of a proper motivation to combine the references

Each rejection, including the rejection of Claim 1, includes a combination of the Christensen and Kanter references. The Examiner simply has not shown a motivation in the prior art of record to modify the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

The applicable law is discussed in Section 5.3.6 above.

No Substantial Evidence of a Motivation to Combine

The Examiner relies on the same asserted motivations for all rejections. As discussed in Section 5.3.6 above (with respect to Claim 3, which depends from independent Claim 1), the Examiner has not provided substantial evidence of a motivation to combine the Christensen and Kanter references to provide specifically for the claimed features of either *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action* or *updating said coupon's benefit in accordance with said benefit variation condition*. Also, as discussed in Section 5.3.6 above, the references are not analogous art.

The failure of the Examiner to make any finding of a level of skill in the art is discussed in Section 5.3.8 above with respect to independent Claim 3 (GROUP I).

7.4. The Claims of GROUP III are Statutory

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

In addition, the terseness of the rejection and lack of any analysis renders the rejection hopelessly vague and unreviewable.

7.4.1. The Basis for the Rejection

As best as Appellants understand the rejection of the claims of GROUP III as being directed to non-statutory subject matter, the basis for that rejection is:

- the claims are not “limited by language in the claims to a practical application within the technological arts associated with activity within a computer” [Third Office Action, page 3].

As discussed in 5.5.4 above, the Examiner has applied a test that is contrary to law. The proper legal test for statutory subject matter is discussed in Section 5.5.2 above.

7.4.2. The Examiner Has Not Even Applied His Test to GROUP III

Other than the conclusory statement that the claims fail to satisfy the standard(s) described above, there is no explanation of why the particular claims of GROUP III “are not limited by language in the claims to a practical application within the technological arts associated with activity within a computer.”

The Examiner has not set forth in the record any factual findings, such as:

- how various claim terms of Claim 1 have been construed (*e.g., receiving notice of a completion of said at least one qualifying action, and updating said coupon's benefit in accordance with said benefit variation condition*); and
- what exactly constitutes "language in the claims to a practical application within the technological arts associated with activity within a computer."

Absent any findings, the result of the test purportedly applied cannot be evaluated, and must be considered arbitrary.

7.4.3. The Claims Meet the Standard for Statutory Subject Matter

The pending claims produce a useful, concrete and tangible result.

The Examiner in the Third Office Action provided a new basis for rejection under § 101, discussed herein. The Examiner did not mention at all whether the appealed claims have a useful, concrete and tangible result. Accordingly, the Examiner has not provided any factual evidence that Claim 1 (or any appealed claim) does not produce a useful, concrete and tangible result.

Independent Claim 1 includes the limitations of *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action and updating said coupon's benefit in accordance with said benefit variation condition*. The useful concrete and tangible result(s) produced by claims including these limitations of independent Claim 1, the utility of the invention and the device-based species that fall within

the broader generic definition of the claimed processes, are discussed with respect to Claim 3 (GROUP I) in Section 5.5.3 above.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to the rejected claims, which are all directed to statutory subject matter. Thus the Examiner has not provided a *prima facie* case that any claim of GROUP III is non-statutory.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group III, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group III, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP III are non-statutory. Accordingly, for at least those reasons, the claims of GROUP III are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

8. GROUP IV

GROUP IV includes dependent Claim 6.

Claim 6 depends from independent Claim 1 (GROUP III) and Claim 3 (GROUP I). Thus, all of the claims of GROUP IV are patentable for the same reasons that the claims of GROUP III and GROUP I are patentable.

The rejection of GROUP IV is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 6), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP IV.

In addition, the § 103 rejection fails because the cited references do not teach or suggest the limitation of:

- *wherein said qualifying action includes at least one of the following:*
said second recipient registering said coupon;
said second recipient redeeming said coupon; or
said second recipient forwarding said coupon.

The Examiner has thus failed to establish a *prima facie* case of obviousness of Claim 6.

8.1. Claim 6

Claim 6 includes all of the limitations of Claims 1 and 3, from which Claim 6 depends.

Claim 6 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The updated benefit of the coupon is associated with a first recipient of the coupon and the qualifying action is associated with a second recipient of the coupon, wherein said qualifying action includes at least one of the following:

- said second recipient registering said coupon;
- said second recipient redeeming said coupon; or
- said second recipient forwarding said coupon.

8.2. Advantages of Claim 6

The embodiment of Claim 6 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 6 conferred by the limitations of Claims 1 and 3 are discussed in Section 5.2 above with respect to Claim 3 (GROUP I).

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

8.3. No Prima Facie Showing of Obviousness of GROUP IV

The Examiner has based his rejections of the claims of GROUP IV on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP IV.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

8.3.1. No showing that the references suggest *wherein said qualifying action includes at least one of the following: said second recipient registering said coupon; said second recipient redeeming said coupon; or said second recipient forwarding said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *wherein said qualifying action includes at least one of the following:*

said second recipient registering said coupon; said second recipient redeeming said coupon; or said second recipient forwarding said coupon.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 6 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

As discussed in 5.3.4 above (GROUP I), the references fail to even hint at a second recipient of the same coupon, much less an action being associated with that second recipient. Accordingly, the references also cannot suggest particular actions associated with the second recipient.

None of the cited references (Christensen and Kanter) supports any such factual finding. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group IV, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group IV, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP IV are non-statutory. Accordingly, for at least those reasons, the claims of GROUP IV are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

9. GROUP V

GROUP V includes dependent Claim 11.

Claim 11 depends from independent Claim 1 (GROUP III). Thus, all of the claims of GROUP V are patentable for the same reasons that the claims of GROUP III are patentable.

The rejection of GROUP V is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 11), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP V.

In addition, the § 103 rejection fails because the cited references do not teach or suggest the limitation of:

- *wherein said notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of Claim 11.

9.1. Claim 11

Claim 11 includes all of the limitations of Claim 1, from which Claim 11 depends.

Claim 11 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

9.2. Advantages of Claim 11

The embodiment of Claim 11 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 11 conferred by the limitations of independent Claim 1 are discussed in Section 5.2 above with respect to Claim 3 (GROUP I), which also depends from Claim 1.

Claim 11 is further advantageous in that *the notice of a completion of said at least one qualifying action is considered to be received unless a notice is*

received that said qualifying action has not been completed. As discussed in the present application, in some embodiments, the notice of a completion of a qualifying action may be assumed to be received (even without receipt of an actual or physical notice or message) or may be received by default. That is, in such embodiments the qualifying action will be assumed to be completed unless a notice is received that indicates or states otherwise and no actual physical notice or message of completion of the qualifying action is sent and/or received due to the assumption. [Specification, page 26, lines 19-30]. Thus, some embodiments provide the benefit that an action is assumed to be completed unless a notice to the contrary is received.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

9.3. No Prima Facie Showing of Obviousness of GROUP V

The Examiner has based his rejections of the claims of GROUP V on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP V.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

9.3.1. No showing that the references suggest *the notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*

The Examiner has not shown any reference teaching or suggesting the feature of *the notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 11 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

None of the cited references (Christensen and Kanter) even hints at a feature in which *the notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group V, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group V, and

none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP V are non-statutory. Accordingly, for at least those reasons, the claims of GROUP V are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

10. GROUP VI

GROUP VI includes dependent Claim 23.

Claim 23 depends from independent Claim 1 (GROUP III). Thus, all of the claims of GROUP VI are patentable for the same reasons that the claims of GROUP III are patentable.

The rejection of GROUP VI is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 23), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP VI.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *modifying said benefit variation condition.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of Claim 23.

10.1. Claim 23

Claim 23 includes all of the limitations of Claim 1, from which Claim 23 depends.

Claim 23 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The method further includes modifying said benefit variation condition.

10.2. Advantages of Claim 23

The embodiment of Claim 23 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 23 conferred by the limitations of Claim 1 are discussed in Section 7.2 above.

Claim 23 is further advantageous in that it allows for *modifying said benefit variation condition*. Thus, some embodiments provide the benefit that once established, the benefit variation condition may be modified. Benefit variation conditions may be based on external events and benefit variation conditions for a coupon or its associated coupon offer may change during the life span or validity duration of the coupon or its associated coupon offer. For example, a store may want to increase a benefit for a coupon during periods of slow or low sale activity and decrease a benefit, or slow any increases in benefit, for a coupon during periods of high sale activity. [See, e.g., Specification, page 14, lines 23-33].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

10.3. No Prima Facie Showing of Obviousness of GROUP VI

The Examiner has based his rejections of the claims of GROUP VI on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP VI.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

10.3.1. No showing that the references suggest *modifying the benefit variation condition*

The Examiner has not shown any reference teaching or suggesting the feature of *modifying the benefit variation condition*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 23 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

None of the cited references (Christensen and Kanter) even hints at a feature of *modifying the benefit variation condition*. The Examiner's conclusory and unsupported assessment that Christensen might "suggest" such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group VI, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group VI, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP VI are non-statutory. Accordingly, for at least those reasons, the claims of GROUP VI are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

11. GROUP VII

GROUP VII includes dependent Claims **32 and 33**.

Claims **32 and 33** depend from independent Claim **1** (GROUP III). Thus, all of the claims of GROUP VII are patentable for the same reasons that the claims of GROUP III are patentable.

The rejection of GROUP VII is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **32 and 33**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP VII.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *a hierarchy of recipients of said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP VII.

11.1. Claim 33

Claim **33** includes all of the limitations of Claim **1**, from which Claim **33** depends.

Claim **33** is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The method further includes creating a hierarchy of recipients of said coupon.

Claim **32** includes the limitation of *tracking at least one hierarchy of recipients of said coupon*. Although the discussion and arguments below refer to Claim **33**, they are likewise applicable to Claim **32**.

11.2. Advantages of Claim 33

The embodiment of Claim **33** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim **33** conferred by the limitations of Claim **1** are discussed in Section 7.2 above.

Claim **33** is further advantageous in that it allows for *creating a hierarchy of recipients of said coupon*. As discussed in the present application, some embodiments provide the benefit of creating a hierarchy of recipients of a particular coupon. Such a hierarchy may be useful in determining a particular recipient's associated level in the hierarchy. For example, the initial recipient of a

coupon is at the top level, the primary recipient(s) at the second level, and so on. [See, *e.g.*, Specification, page 38, lines 23-30; FIG. 5]. As a coupon is forwarded down a hierarchy of recipients, in some embodiments, the recipient value of each upstream recipient's coupon increases by an amount determined by the level. [See, *e.g.*, Specification, page 38, lines 31-34; page 40, lines 4-20]. In some embodiments, benefit variation conditions may depend on the level of a hierarchy (*e.g.*, a level may have a maximum number of recipients that may receive the coupon and still increase the benefit of the upstream recipient's coupon). In some embodiments, increases in a coupon's benefit may be restricted to a predetermined level of downstream recipients (*e.g.*, the benefit to a forwarding individual may only increase up to the level of secondary recipients). [See, *e.g.*, Specification, page 43, line 27 to page 44, line 12]. Thus, creating a hierarchy of recipients of a particular coupon may be advantageous for determining the recipient value of the coupon to its recipients.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

11.3. No Prima Facie Showing of Obviousness of GROUP VII

The Examiner has based his rejections of the claims of GROUP VII on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art.

Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP VII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

11.3.1. No showing that the references suggest a hierarchy of recipients of said coupon

The Examiner has not shown any reference teaching or suggesting the feature of a *hierarchy of recipients of said coupon*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 33 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

None of the cited references (Christensen and Kanter) even hints at a feature of a *hierarchy of recipients of said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group VII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group VII, and none of the references (alone or in combination) possess the advantages conferred

by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP VII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP VII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

12. GROUP VIII

GROUP VIII includes dependent Claims **34-38**.

Claims **34-38** depend (directly or indirectly) from independent Claim **1** (GROUP III). Thus, all of the claims of GROUP VIII are patentable for the same reasons that the claims of GROUP III are patentable.

The rejection of GROUP VIII is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **34-38**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP VIII.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP VIII.

12.1. Claim 34

Claim **34** includes all of the limitations of Claim **1**, from which Claim **34** depends.

Claim **34** is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The method further recites wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient.

Claims **35-38** depend from Claim **34**. Accordingly, although the discussion and arguments below refer to Claim **34**, they are likewise applicable to Claims **35-38**.

12.2. Advantages of Claim 34

The embodiment of Claim **34** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim **34** conferred by the limitations of Claim **1** are discussed in Section 7.2 above.

Claim 34 is further advantageous in that it allows for *wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient*. As discussed in the present application, some embodiments provide the benefit of increasing the benefit of a coupon a first amount if an initial recipient of the coupon forwards that coupon to another recipient. As a coupon is forwarded to another recipient, in some embodiments, the recipient value of the upstream recipient's coupon increases by an amount. [See, *e.g.*, Specification, page 38, lines 31-34; page 40, lines 4-20]. Thus, increasing the coupon's benefit by a first amount creates an incentive to an initial recipient to forward the coupon to another recipient.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

12.3. No Prima Facie Showing of Obviousness of GROUP VIII

The Examiner has based his rejections of the claims of GROUP VIII on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP VIII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

12.3.1. No showing that the references suggest *wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient*

The Examiner has not shown any reference teaching or suggesting the feature of *wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient*.

"Official Notice" is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 34 was "well known." [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests one recipient forwarding a coupon to another recipient, much less increasing a benefit of that coupon if such forwarding occurs. None of the cited references (Christensen and Kanter) even hints at a feature of *wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient*. The Examiner's conclusory and unsupported assessment that Christensen might "suggest" such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group VIII, none of the references (alone or in

combination) disclose or suggest the limitations of the claims of Group VIII, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP VIII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP VIII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

13. GROUP IX

GROUP IX includes dependent Claim 42.

Claim 42 depends from independent Claim 1 (GROUP III). Thus, all of the claims of GROUP IX are patentable for the same reasons that the claims of GROUP III are patentable.

The rejection of GROUP IX is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 42), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP IX.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP IX.

13.1. Claim 42

Claim 42 includes all of the limitations of Claim 1, from which Claim 42 depends.

Claim 42 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The method further includes crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon.

13.2. Advantages of Claim 42

The embodiment of Claim 42 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 42 conferred by the limitations of Claim 1 are discussed in Section 7.2 above.

Claim 42 is further advantageous in that it allows for *crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*. Thus, some

embodiments of the present invention provide the advantage that even after a recipient has redeemed a coupon, if that coupon's benefit increases (*e.g.*, by completion of some qualifying action), the recipient may still receive some benefit via the crediting of a financial account.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

13.3. No Prima Facie Showing of Obviousness of GROUP IX

The Examiner has based his rejections of the claims of GROUP IX on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP IX.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

13.3.1. No showing that the references suggest *crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*.

"Official Notice" is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 42 was "well known." [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests any crediting of a financial account after a recipient has redeemed a coupon, much less if the coupon's benefit has increased. None of the cited references (Christensen and Kanter) even hints at a feature of *crediting a financial account associated with a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*. The Examiner's conclusory and unsupported assessment that Christensen might "suggest" such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group IX, none of the references (alone or in

combination) disclose or suggest the limitations of the claims of Group IX, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP IX are non-statutory. Accordingly, for at least those reasons, the claims of GROUP IX are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

14. GROUP X

GROUP X includes dependent Claim 43.

Claim 43 depends from independent Claim 1 (GROUP III). Thus, all of the claims of GROUP X are patentable for the same reasons that the claims of GROUP III are patentable.

The rejection of GROUP X is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 43), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP X.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *issuing a new coupon to a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP X.

14.1. Claim 43

Claim 43 includes all of the limitations of Claim 1, from which Claim 43 depends.

Claim 43 is directed to a method for changing a benefit associated with a coupon. An initial benefit is established for a coupon. A benefit variation condition is established for the coupon, the benefit variation condition having at least one associated qualifying action. A notice of a completion of the at least one qualifying action is received, and the coupon's benefit is updated in accordance with the benefit variation condition.

The method further includes issuing a new coupon to a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon.

14.2. Advantages of Claim 43

The embodiment of Claim 43 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 43 conferred by the limitations of Claim 1 are discussed in Section 7.2 above.

Claim 43 is further advantageous in that it allows for *issuing a new coupon to a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*. Thus, some embodiments of the present

invention provide the advantage that even after a recipient has redeemed a coupon, if that coupon's benefit increases (e.g., by completion of some qualifying action), the recipient may still receive some benefit via the issuing of a new coupon.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

14.3. No Prima Facie Showing of Obviousness of GROUP X

The Examiner has based his rejections of the claims of GROUP X on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP X.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

14.3.1. No showing that the references suggest *issuing a new coupon to a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *issuing a new coupon to a recipient of said coupon if said coupon's benefit increases after said recipient has redeemed said coupon*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 43 was “well known.” [Third Office Action, page 6]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests issuing a new coupon if the coupon’s benefit has increased after the coupon was redeemed. None of the cited references (Christensen and Kanter) even hints at a feature of *issuing a new coupon to a recipient of said coupon if said coupon’s benefit increases after said recipient has redeemed said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group X, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group X, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP X are non-statutory. Accordingly, for at least those reasons, the claims of GROUP X are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

15. GROUP XI

GROUP XI includes independent Claim 48 and dependent Claim 49.

The rejection of the claim of GROUP XI is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP XI.

In particular, the Examiner has not shown all limitations of Claim 48 to be disclosed or suggested by the references, alone or in combination, including:

- *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.*

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The Examiner has thus failed to establish a *prima facie* case of obviousness of Claim 48.

Also, the § 101 rejections fail because the Examiner has not applied the Federal Circuit's proper "useful, concrete and tangible result" standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language "associated with activity within a computer."

15.1. Independent Claim 48

Claim 48 is directed to a method for varying a benefit associated with a coupon. The method includes associating an initial benefit with a coupon and establishing a first qualifying action associated with said coupon. The method

also includes changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

Claim 49 depends from Claim 48. Accordingly, the arguments made with respect to Claim 48 are applicable equally to Claim 49.

15.2. Advantages of Claim 48

The embodiment of Claim 48 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, as discussed in the present application, the method of Claim 48 is advantageous in that it provides for *associating an initial benefit with a coupon and changing said coupon's associated benefit a first amount upon receiving notice of a completion of a first qualifying action*. The present invention provides for a coupon having an initial or current value that is variable or alterable. The benefit of a coupon may be increased by initiating, performing, or completing an established qualifying action for the coupon. Thus, an entity (e.g., the coupon offer issuer) can adjust the benefit associated with a coupon. For example, based on the notice of completion of the qualifying action, a change to the coupon's benefit may be determined and the benefit updated. In one example, a coupon having an initial benefit of five dollars may increase its benefit by two dollars if the initial recipient registers or forwards the coupon with five days of receiving the coupon in accordance with a benefit variation condition. [Specification, page 21, lines 20-22]. Allowing for the changing of the associated benefit of a coupon

upon receiving notice of a completion of a qualifying action thus provides a recipient of the coupon with an incentive to perform at least one of the associated qualifying actions that will increase the benefit of the coupon. [See, *e.g.*, Specification, page 14, lines 17-34].

Claim 48 is further advantageous because, as discussed in the present application, by *receiving notice of a completion of said first qualifying action*, an entity (*e.g.*, a coupon offer issuer) can determine whether a qualifying action associated with a coupon has been completed. Such notices may include a forward indication, a registration indication, a redemption indication, a reception indication, etc. For example, if a qualifying action is established for registration of a coupon, the recipient of the coupon registering the coupon will be deemed to have completed the qualifying action. [See, *e.g.*, Specification, page 26, lines 10-25; page 27, lines 8-10].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

15.3. No Prima Facie Showing of Obviousness of GROUP XI

The Examiner has based his rejections of the claims of GROUP XI on a view of the prior art which is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP XI.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

15.3.1. No showing that the references suggest *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*

The Examiner has not shown that the references, alone or in combination, suggest *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action* as recited in independent Claim 48.

Factual Findings

The closest the Examiner comes is the statement: “Independent claim 48 is rejected for substantially the same reasons as independent claim 1.” [Third Office Action, page 6].

The Examiner's cursory findings with respect to independent Claim 1 are discussed in Section 7.3.1 above. In summary, the Examiner has asserted that Christensen somehow “suggests” all of the features of Claims 1 and that Kanter somehow “shows elements that suggest the ‘variation condition’ elements and limitations of claim 1.”

The Examiner clearly has not considered the limitations of Claim 48. The term “benefit variation condition” does not even appear in Claim 48. There is no finding by the Examiner as to how the Examiner has interpreted any language of Claim 48, which differs from that of Claim 1, much less any finding as to how

any portion of either Christensen or Kanter suggests any subject matter of Claim 48.

The Examiner might be relying on Christensen (perhaps in FIG. 14) as somehow “suggesting” *changing said coupon’s associated benefit a first amount upon receiving notice of a completion of said first qualifying action*.

In fact, Christensen and Kanter lack any hint of such features.

The Examiner also may be relying on the conclusory statement that Christensen “shows elements that suggest” all of the limitations recited in every appealed claim. [Third Office Action, pages 4-10]. Specifically with respect to the above limitation, the Examiner asserts that Christensen “shows elements that suggest the elements and limitations of claim 1,” including “the ‘variation condition’ elements and limitations.” [Third Office Action, page 4].

As discussed in Section 7.3.1 above, no reasoning or explanation is provided for the Examiner’s conclusory statements. Appellants have traversed the omnibus assertions as to what Christensen and Kanter supposedly “suggest.” [Appellants’ First Response, pages 39 (“Christensen Does Not Suggest All of the Features of All of Claims 1-167”) and 40].

With the exception of noting FIG. 14 of Christensen during the Interview, the Examiner has never provided any additional findings or clarification in the record. The Examiner has never clarified as to how FIG. 14 in particular shows a “benefit variation” (Claim 1) nor has the Examiner ever asserted any finding of any reference as to any specific limitation of Claim 48.

These Findings Have No Support in the Record

There is no substantial evidence in the record that Chistensen or Kanter would suggest *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*.

As noted above, the Examiner has failed to specifically address any limitation of Claim 48, stating only that the reasons for rejection are “substantially the same” as for independent Claim 1. The Examiner, however, has failed to provide any indication as to how any language of Claim 48 is being interpreted or what reference purportedly suggests any particular feature.

Nowhere in any Office Action has the Examiner asserted what any portion of Chistensen explicitly discloses. As discussed in Section 7.3.1 above, FIG. 14 is devoid of any hint of “benefit variation” of a coupon. FIG. 14 is a further detail of FIG. 6. [Column 5, line 24]. Each of FIG. 6 and FIG. 14 illustrates a display coupon menu from which “a consumer may select a coupon for printing by clicking on the coupon or selecting the coupon using a pull-down menu or the like.” [Column 9, lines 9-14].

Thus, there is no suggestion in either figure (or accompanying text) that the benefit of a particular coupon in the Christensen system may vary, much less a condition by which the benefit of a coupon may vary, much less changing the associated benefit of a coupon upon receiving notice of completion of a qualifying action.

Also, contrary to the Examiner's implied assertion, Kanter is devoid of any hint or suggestion of a “variation condition,” much less *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*, as recited in independent Claim 48. Kanter describes:

an incentive program which also allows a sponsoring financial institution to issue to participants, rebates...which can be redeemed in cash, coupons, checks, catalog products, trips, goods or service from designated merchants, or any combination thereof

[Column 15, lines 19-25.] Kanter thus describes a system in which a rebate may be redeemed in the form of a coupon. There is nothing in Kanter, however, that would suggest that a coupon in the Kanter system, once issued to a participant, has a variable benefit, or is associated with a condition for such variation. To the contrary, the coupon, like the alternatives of cash or catalog products, is merely a fixed form of the issued rebate.

Accordingly, there is nothing in either Christensen or Kanter, alone or in combination, that would suggest *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*.

In supporting his conclusory characterizations of Christensen and Kanter, the Examiner refers to nearly every line of each reference (see Third Office Action, page 5), none of which is at all relevant to *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*. Appellants have requested that the Examiner identify the most relevant citations for the disclosure of Christensen that the Examiner believes suggests each particular limitation of Claim 1. [Appellants' First Response ("Christensen Does Not Suggest All of the Features of All of Claims 1-167"), page 39].

Tellingly, with the exception of the reference to FIG. 14 of Christensen, the Examiner has never offered any further clarification or reasoning.

Thus, the references, alone or in combination, do not suggest a limitation of *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*. The Examiner otherwise has failed to provide substantial evidence to support even a *prima facie* case of obviousness. The rejection fails for at least this reason.

15.3.2. No showing of a proper motivation to combine the references

Each rejection, including the rejection of Claim **48**, includes a combination of the Christensen and Kanter references. The Examiner simply has not shown a motivation in the prior art of record to modify the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

The applicable law is discussed in Section 5.3.6 above.

No Substantial Evidence of a Motivation to Combine

The Examiner relies on the same asserted motivations for all rejections. As discussed in Section 5.3.6 above (with respect to Claim **3**, which depends from independent Claim **1**), the Examiner has not provided substantial evidence of a motivation to combine the Christensen and Kanter references.

Further the Examiner has failed to provide substantial evidence of a motivation to combine the Christensen and Kanter references in such a way as to provide specifically for the feature of *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*.

The Examiner does not make any findings with respect to a motivation to provide for this feature, and in fact does not even mention this feature at all.

With respect to reason (i), Motivation A of Kanter would not cause one to seek out a promotion system that relies exclusively on coupon distribution and redemption, much less the particular coupon system of Chistensen. Chistensen has nothing to do with “multilevel selling” on behalf of a merchant, an “incentive award program” in which participants can “redeem their earnings,” or motivating “participants to make referrals on behalf of the program.” Further, Christensen has nothing to do with either placing calls or discounts on calls, much less “wherein discounts apply on calls placed to certain individuals by those that recruited the individuals.” Accordingly, Motivation A would not have caused one to seek out Christensen.

Motivation B of Christensen would not cause one to seek out a system that disparages coupon distribution campaigns, much less the particular system of Kanter. Kanter has nothing to do with “improv[ing] consumer response to coupon distribution campaigns” or “provid[ing] more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.” In fact, as discussed in Section 3.3 above, Kanter teaches away from such promotional campaigns as time consuming, confusing and an “administrative nightmare.” Accordingly, Motivation B would not have caused one to seek out Kanter.

With respect to reason (ii), the combination (Chistensen and Kanter) does not further the proposed Motivation A or Motivation B. Chistensen does not in any way allow a customer to achieve discounts “on calls placed to certain

individuals by those that recruited the individuals...[or to] provide an incentive award program which can motivate participants to make referrals on behalf of the program.” Kanter does not in any way provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.

With respect to reason (iii), neither Motivation A nor Motivation B would suggest the desirability of modifying the coupon distribution system of Christensen to provide specifically for the feature of *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*, as recited in independent Claim 48. The Examiner does not provide any reasoning or support in the evidence of record as to why the asserted desirability of "a merchant's multilevel selling campaign and/or incentive award program and redeem their earnings," "an incentive award program which can motivate participants to make referrals on behalf of the program," "to improve consumer response to coupon distribution campaigns," or "to provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign", would specifically suggest to one of ordinary skill in the art the desirability of *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action* in the Christensen system to meet any of the asserted desirable objectives.

Also, the asserted motivation "wherein discounts apply on calls placed to certain individuals by those that recruited the individuals" suggests neither that a benefit of a coupon may vary, nor *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*, much less a motivation for modifying the coupon distribution campaign system of

Christensen. In fact, Kanter describes such "discounts on calls" as an incentive that was not available in the prior art to be offered by "any company that is not a telecommunication service distributor, as obviously, such companies do not sell telecommunication services." [Column 14, lines 16-26.] It is not clear to Applicants how Kanter's description of how discounts on calls were previously unavailable as incentives for non-telecommunication companies suggests either a motivation to provide for *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action* or a motivation to modify the coupon distribution campaign system of Christensen.

Thus, the combination of Christensen and Kanter has nothing to do with the embodiment of Claim 48. Further, as described above, any such combination would still lack all of the features of Claim 48, and these features have significant advantages. Finally, any such combination would not solve any of the problems addressed by the embodiment of Claim 48.

Also, as discussed in Section 5.3.6 above, the Christensen and Kanter references are not analogous art.

15.3.3. Level of Skill

Applicable Law

A factual predicate underlying an obviousness determination is the level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The skill level is one component of the inquiry for a suggestion to combine. In re Rouffet, 149 F.3d 1350, 1359 (Fed. Cir. 1998).

Lacking a motivation to combine, there is no *prima facie* case of obviousness. In re Rouffet, 149 F.3d 1350, 1358 (Fed. Cir. 1998). If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

Factual Findings

Though required to do so, the Examiner has not set forth any evidence relating to the level of ordinary skill in the art, and has not even alleged what the level of skill in the art would be. The rejection fails for at least this reason.

15.4. The Claims of GROUP XI are Allowable Over the Cited References

As described above, the Examiner has failed to provide a *prima facie* showing of anticipation of the claims of GROUP XI in light of either Christensen or Kanter.

In addition, as described above, neither of the references anticipates the claims of GROUP XI.

In addition, the references cannot be combined in any manner that would render the claim of GROUP XI obvious.

15.4.1. The references do not suggest all of the features

As discussed in Section 15.3.1 above, the cited references, alone or in combination, do not suggest the feature of:

- *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action*

as provided for in Claim 48.

Accordingly, the references, alone or in combination, cannot teach or suggest all of the features of the claim of GROUP XI.

15.4.2. No motivation to combine the references

As discussed in Section 15.3.2 above, the Examiner's purported finding of a suggestion in the record to make the combination and modification of the references does not in fact support any such modification or combination.

Further, Kanter teaches away from any combination with a promotion system based on coupon distribution, like Christensen.

15.5. The Claims of GROUP XI are Statutory

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

In addition, the terseness of the rejection and lack of any analysis renders the rejection hopelessly vague and unreviewable.

15.5.1. The Basis for the Rejection

As best as Appellants understand the rejection of the claims of GROUP XI as being directed to non-statutory subject matter, the basis for that rejection is:

- the claims are not “limited by language in the claims to a practical application within the technological arts associated with activity within a computer”

[Third Office Action, page 3].

As discussed in 5.5.4 above, the Examiner has applied a test that is contrary to law.

To the extent the rejection actually applied a standard that requires additional criteria or otherwise departs from the requisite legal analysis under § 101, the rejection is flawed.

Further, to the extent the rejection is based on a standard that departs from the policy of the U.S. Patent and Trademark Office without a rational basis, that standard is arbitrary.

The proper legal test for statutory subject matter is discussed in Section 5.5.2 above.

15.5.2. The Examiner Has Not Even Applied His Test to GROUP XI

Other than the conclusory statement that the claims fail to satisfy the standard(s) described above, there is no explanation of why the particular claims of GROUP XI “are not limited by language in the claims to a practical application within the technological arts associated with activity within a computer.”

The Examiner has not set forth in the record any factual findings, such as:

- how various claim terms of Claim **48** have been construed (*e.g., changing said coupon’s associated benefit a first amount upon receiving notice of a completion of said first qualifying action, establishing a first qualifying action*

associated with said coupon and associating an initial benefit with a coupon);
and

- what exactly constitutes “language in the claims to a practical application within the technological arts associated with activity within a computer.”

Absent any findings, the result of the test purportedly applied cannot be evaluated, and must be considered arbitrary.

15.5.3. The Claims Meet the Standard for Statutory Subject Matter

The pending claims produce a useful, concrete and tangible result.

The Examiner in the Third Office Action provided a new basis for rejection under § 101, discussed herein. The Examiner did not mention at all whether the appealed claims have a useful, concrete and tangible result. Accordingly, the Examiner has not provided any factual evidence that Claim 48 (or any appealed claim) does not produce a useful, concrete and tangible result.

The claims of GROUP XI all depend from independent Claim 48, which includes the limitations of *associating an initial benefit with a coupon and changing said coupon's associated benefit a first amount upon receiving notice of a completion of a first qualifying action*. In this way an entity (e.g., the coupon offer issuer) can adjust the benefit associated with a coupon. [See, e.g., Specification, page 21, lines 20-22]. Changing the benefit thus results in a useful, concrete and tangible result – a changed benefit for a coupon which, in some embodiments, may be provided to a recipient. The changed benefit may be relied on by a coupon issuer (e.g., who may provide the changed benefit to a recipient)

and / or coupon recipient (*e.g.*, in assessing the value of the coupon to the recipient). In this sense, the benefit described in Claim 48 is like the “final share price” deemed to be a useful, concrete and tangible result in State Street Bank. The processes claimed can by no stretch of the imagination be classified as “abstract ideas,” and are thus properly defined statutory processes.

It is also worth noting that the requirement for a “useful invention” is to be evaluated for the invention, and is not dependent on the breadth of the claims. Thus, if one species of an invention claimed as a genus is found to be “useful”, utility for the genus is established. Raytheon Co. v. Roper Corp., 724 F.2d 951, 958, 220 USPQ 592, 598 (Fed. Cir. 1983), cert. denied, 469 U.S. 835 (1984) (“When a properly claimed invention meets at least one stated objective, utility under § 101 is clearly shown.”). Utility is to be evaluated in a simple “yes” or “no” fashion (*i.e.*, does the invention as claimed possess or not possess utility). There is no subjective test for “utility” that must be deemed to be commensurate with the breadth of the claims being sought to be patented.

Moreover, the scope of the claims as presented encompasses a variety of specific implementations of the claimed processes. Certain of these embodiments implicate the use of servers and / or devices in the processes. [See, *e.g.*, Specification, page 29, lines 14-30]. Such device-based species clearly fall within the broader generic definition of the claimed processes. Given that utility for a genus may be established through a recitation of utility of a species within that genus, a rejection that the generically claimed processes lack utility is clearly improper.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to the rejected claims, which are all directed to statutory subject matter. Thus the Examiner has not provided a *prima facie* case that any claim of GROUP XI is non-statutory.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XI, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XI, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XI are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XI are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

16. GROUP XII

GROUP XII includes dependent Claims **50-54**.

Claims **50-53** depend (directly or indirectly) from independent Claim **48** (GROUP XI). Thus, all of the claims of GROUP XII are patentable for the same reasons that the claims of GROUP XI are patentable.

The rejection of GROUP XII is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **50-54**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XII.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XII.

16.1. Claim 50

Claim 50 includes all of the limitations of Claims 48 and 49, from which Claim 50 depends.

Claim 50 is directed to a method for varying a benefit associated with a coupon. The method includes associating an initial benefit with a coupon and establishing a first qualifying action associated with said coupon. The method also includes changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

The method further includes providing said coupon to at least one initial recipient.

The method further recites wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient.

Claims 51-53 depend from Claim 50. Claim 54 recites a limitation of *wherein said first qualifying action includes a primary recipient receiving said coupon from said initial recipient*. Although the acts of receiving and forwarding are not identical in scope, the arguments made herein with respect to the lack of substantial evidence in the record of forwarding a coupon from a second party to a first party are equally applicable to a feature generally related to receiving of a coupon by one party from a second party. Accordingly, although the discussion and arguments below refer to Claim 50, they are likewise applicable to Claims 51-54.

16.2. Advantages of Claim 50

The embodiment of Claim 50 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 50 conferred by the limitations of Claim 48 are discussed in Section 15.2 above.

Claim 50 is further advantageous in that it allows for *providing said coupon to at least one initial recipient, and wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient*. As discussed in the present application, some embodiments provide the benefit of changing the benefit of a coupon if an initial recipient of the coupon forwards that coupon to another recipient. As a coupon is forwarded to another recipient, in some embodiments, the recipient value of the upstream recipient's coupon increases by an amount. [See, *e.g.*, Specification, page 38, lines 31-34; page 40, lines 4-20]. Thus, changing the coupon's benefit upon notice of completion of forwarding of a coupon from an initial recipient to a primary recipient may fulfill an incentive to the initial recipient to pass on that coupon.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

16.3. No Prima Facie Showing of Obviousness of GROUP XII

The Examiner has based his rejections of the claims of GROUP XII on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

16.3.1. No showing that the references suggest *wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient*

The Examiner has not shown any reference teaching or suggesting the feature of *wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 50 was “well known.” [Third Office Action, page 7]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests forwarding a coupon from one recipient to another (or one recipient receiving a coupon from

another), much less in which qualifying action comprises such forwarding, much less changing a benefit of a coupon upon receiving notice of such forwarding. None of the cited references (Christensen and Kanter) even hints at a feature of *wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient*. The Examiner's conclusory and unsupported assessment that Christensen might "suggest" such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XII, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

17. GROUP XIII

GROUP XIII includes dependent Claim 55.

Claim 55 depends from independent Claim 48 (GROUP XI). Thus, all of the claims of GROUP XIII are patentable for the same reasons that the claims of GROUP XI are patentable.

The rejection of GROUP XIII is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 55), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XIII.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *crediting a financial account associated with a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XIII.

17.1. Claim 55

Claim **55** includes all of the limitations of Claim **48**, from which Claim **55** depends.

Claim **55** is directed to a method for varying a benefit associated with a coupon. The method includes associating an initial benefit with a coupon and establishing a first qualifying action associated with said coupon. The method also includes changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

The method further includes crediting a financial account associated with a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon.

17.2. Advantages of Claim 55

The embodiment of Claim **55** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim **55** conferred by the limitations of Claim **48** are discussed in Section 15.2 above.

Claim **55** is further advantageous in that it allows for *crediting a financial account associated with a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon*. Thus, some embodiments of the present invention provide the advantage that even after a

recipient has redeemed a coupon, if that coupon's benefit increases (e.g., by completion of some qualifying action), the recipient may still receive some benefit via the crediting of a financial account.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

17.3. No Prima Facie Showing of Obviousness of GROUP XIII

The Examiner has based his rejections of the claims of GROUP XIII on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XIII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

17.3.1. No showing that the references suggest *crediting a financial account associated with a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *crediting a financial account associated with a recipient of said coupon*

if said benefit of said coupon increases after said recipient has redeemed said coupon.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 55 was “well known.” [Third Office Action, page 7]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests any crediting of a financial account after a recipient has redeemed a coupon, much less if the coupon’s benefit has increased. None of the cited references (Christensen and Kanter) even hints at a feature of *crediting a financial account associated with a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XIII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XIII, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XIII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XIII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

18. GROUP XIV

GROUP XIV includes dependent Claim 56.

Claim 56 depends from independent Claim 48 (GROUP XI). Thus, all of the claims of GROUP XIV are patentable for the same reasons that the claims of GROUP XI are patentable.

The rejection of GROUP XIV is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 56), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XIV.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *issuing a new coupon to a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon; and*
- *notifying a recipient of said coupon of a change in benefit of said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XIV.

18.1. Claim 56

Claim **56** includes all of the limitations of Claim **48**, from which Claim **56** depends.

Claim **56** is directed to a method for varying a benefit associated with a coupon. The method includes associating an initial benefit with a coupon and establishing a first qualifying action associated with said coupon. The method also includes changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

The method further includes issuing a new coupon to a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon and notifying a recipient of said coupon of a change in benefit of said coupon.

18.2. Advantages of Claim 56

The embodiment of Claim **56** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim **56** conferred by the limitations of Claim **48** are discussed in Section 15.2 above.

Claim **56** is further advantageous in that it allows for *issuing a new coupon to a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon*. Thus, some embodiments of the present

invention provide the advantage that even after a recipient has redeemed a coupon, if that coupon's benefit increases (e.g., by completion of some qualifying action), the recipient may still receive some benefit via the issuing of a new coupon.

Claim 56 is further advantageous in providing for *notifying a recipient of said coupon of a change in benefit of said coupon*. Thus, even after the coupon is redeemed, if the benefit increases some embodiments provide the advantage that the recipient may be notified of the change in the benefit.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

18.3. No Prima Facie Showing of Obviousness of GROUP XIV

The Examiner has based his rejections of the claims of GROUP XIV on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XIV.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

18.3.1. No showing that the references suggest issuing a new coupon to a recipient of said coupon if said benefit of said

coupon increases after said recipient has redeemed said coupon

The Examiner has not shown any reference teaching or suggesting the feature of *issuing a new coupon to a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 56 was “well known.” [Third Office Action, page 7]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests issuing a new coupon if the coupon’s benefit has increased after the coupon was redeemed. None of the cited references (Christensen and Kanter) even hints at a feature of *issuing a new coupon to a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

18.3.2. No showing that the references suggest *notifying a recipient of said coupon of a change in benefit of said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *notifying a recipient of said coupon of a change in benefit of said coupon*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 56 was “well known.” [Third Office Action, page 7]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests notifying a recipient of a change in the benefit of a coupon, much less when such a change takes place after the coupon is redeemed. None of the cited references (Christensen and Kanter) even hints at a feature of *notifying a recipient of said coupon of a change in benefit of said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XIV, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XIV, and none of the references (alone or in combination) possess the advantages conferred

by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XIV are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XIV are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

19. GROUP XV

GROUP XV includes dependent Claim 57.

Claim 57 depends from independent Claim 48 (GROUP XI). Thus, all of the claims of GROUP XV are patentable for the same reasons that the claims of GROUP XI are patentable.

The rejection of GROUP XV is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 57), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XV.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XV.

19.1. Claim 57

Claim 57 includes all of the limitations of Claim 48, from which Claim 57 depends.

Claim 57 is directed to a method for varying a benefit associated with a coupon. The method includes associating an initial benefit with a coupon and establishing a first qualifying action associated with said coupon. The method also includes changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

The method further includes wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

19.2. Advantages of Claim 57

The embodiment of Claim 57 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 57 conferred by the limitations of Claim 48 are discussed in Section 15.2 above.

Claim 57 is further advantageous in that it allows for *wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*. As discussed in the present application, in some embodiments, the notice of a

completion of a qualifying action may be assumed to be received (even without receipt of an actual or physical notice or message) or may be received by default. That is, in such embodiments the qualifying action will be assumed to be completed unless a notice is received that indicates or states otherwise and no actual physical notice or message of completion of the qualifying action is sent and/or received due to the assumption. [Specification, page 26, lines 19-30]. Thus, some embodiments provide the benefit that an action is assumed to be completed unless a notice to the contrary is received.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

19.3. No Prima Facie Showing of Obviousness of GROUP XV

The Examiner has based his rejections of the claims of GROUP XV on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XV.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

19.3.1. No showing that the references suggest *wherein said notice of a completion of said first qualifying action is*

**considered to be received unless a notice is received that said
qualifying action has not been completed**

The Examiner has not shown any reference teaching or suggesting the feature of *wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 57 was “well known.” [Third Office Action, page 7]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

None of the cited references (Christensen and Kanter) even hints at a feature in which *wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XV, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XV, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that

the claims of GROUP XV are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XV are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

20. GROUP XVI

GROUP XVI includes independent Claim **58** and dependent Claims **59, 61, 62, 70, 73 and 74**.

The rejection of the claim of GROUP XVI is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP XVI.

In particular, the Examiner has not shown all limitations of Claim **58** to be disclosed or suggested by the references, alone or in combination, including:

- *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The Examiner has thus failed to establish a *prima facie* case of obviousness of Claim **58**.

Also, the § 101 rejections fail because the Examiner has not applied the Federal Circuit's proper "useful, concrete and tangible result" standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language "associated with activity within a computer."

20.1. Independent Claim 58

Claim **58** is directed to a method for changing a coupon's benefit. The method includes associating a first qualifying action with a coupon, whereby a

benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method also includes changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

Claims **59, 61, 62, 70, 73 and 74** depend from Claim **58**. Accordingly, the arguments made with respect to Claim **58** are applicable equally to Claims **59, 61, 62, 70, 73 and 74**.

20.2. Advantages of Claim 58

The embodiment of Claim **58** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, as discussed in the present application, the method of Claim **58** is advantageous in that it provides for *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon*. The present invention provides for a coupon having a benefit that may change by a recipient's completing of a qualifying action associated with the coupon. The method of Claim **58** also provides advantageously for *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*. Thus, an entity (e.g., the coupon offer issuer) can change the benefit of the coupon when it receives an indication that the associated qualifying action has been completed by the first recipient of the coupon. For example,

based on the notice of completion of the qualifying action, a change to the coupon's benefit may be determined and the benefit updated. In one example, a coupon having an initial benefit of five dollars may increase its benefit by two dollars if the initial recipient registers or forwards the coupon with five days of receiving the coupon in accordance with a benefit variation condition.

[Specification, page 21, lines 20-22]. Allowing for the changing of the associated benefit of a coupon upon receipt of notice of a completion of a qualifying action by the recipient thus provides a recipient of the coupon with an incentive to perform the qualifying action that will increase the benefit of the coupon. [See, e.g., Specification, page 14, lines 17-34].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

20.3. No Prima Facie Showing of Obviousness of GROUP XVI

The Examiner has based his rejections of the claims of GROUP XVI on a view of the prior art which is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP XVI.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

20.3.1. No showing that the references suggest *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*

The Examiner has not shown that the references, alone or in combination, suggest *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient* as recited in independent Claim 58.

Factual Findings

The closest the Examiner comes is the statement: “Independent claim 58 is rejected for substantially the same reasons as independent claim 48,” which is rejected “for substantially the same reasons as independent claim 1.” [Third Office Action, pages 6, 8].

The Examiner’s cursory findings with respect to independent Claim 1 are discussed in Section 7.3.1 above. In summary, the Examiner has asserted that Christensen somehow “suggests” all of the features of Claims 1 and that Kanter somehow “shows elements that suggest the ‘variation condition’ elements and limitations of claim 1.”

The Examiner clearly has not considered the limitations of Claim 58. The term “benefit variation condition” does not even appear in Claim 58. There is no finding by the Examiner as to how the Examiner has interpreted any language of Claim 58, which differs from that of Claim 1, much less any finding as to how

any portion of either Christensen or Kanter suggests any subject matter of Claim 58.

The Examiner might be relying on Christensen (perhaps in FIG. 14) as somehow “suggesting” *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*.

In fact, Christensen and Kanter lack any hint of such features.

The Examiner also may be relying on the conclusory statement that Christensen “shows elements that suggest” all of the limitations recited in every appealed claim. [Third Office Action, pages 4-10]. Specifically with respect to the above limitation, the Examiner asserts that Christensen “shows elements that suggest the elements and limitations of claim 1,” including “the ‘variation condition’ elements and limitations.” [Third Office Action, page 4].

As discussed in Section 7.3.1 above, no reasoning or explanation is provided for the Examiner’s conclusory statements. Appellants have traversed the omnibus assertions as to what Christensen and Kanter supposedly “suggest.” [Appellants’ First Response, pages 39 (“Christensen Does Not Suggest All of the Features of All of Claims 1-167”) and 40].

With the exception of noting FIG. 14 of Christensen during the Interview, the Examiner has never provided any additional findings or clarification in the record. The Examiner has never clarified as to how FIG. 14 in particular shows a “benefit variation” (Claim 1) nor has the Examiner ever asserted any finding of any reference as to any specific limitation of Claim 58.

These Findings Have No Support in the Record

There is no substantial evidence in the record that Chistensen or Kanter would suggest *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*.

As noted above, the Examiner has failed to specifically address any limitation of Claim **58**, stating only that the reasons for rejection are “substantially the same” as for independent Claims **48 and 1**. The Examiner, however, has failed to provide any indication as to how any language of Claim **58** is being interpreted or what reference purportedly suggests any particular feature.

Nowhere in any Office Action has the Examiner asserted what any portion of Chistensen explicitly discloses. As discussed in Section 7.3.1 above, FIG. 14 is devoid of any hint of “benefit variation” of a coupon. FIG. 14 is a further detail of FIG. 6. [Column 5, line 24]. Each of FIG. 6 and FIG. 14 illustrates a display coupon menu from which “a consumer may select a coupon for printing by clicking on the coupon or selecting the coupon using a pull-down menu or the like.” [Column 9, lines 9-14].

Thus, there is no suggestion in either figure (or accompanying text) that the benefit of a particular coupon in the Christensen system may vary, much less a condition by which the benefit of a coupon may vary, much less changing the associated benefit of a coupon upon receiving notice of completion of a qualifying action.

Also, contrary to the Examiner's implied assertion, Kanter is devoid of any hint or suggestion of a “variation condition,” much less for *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying*

action by said first recipient, as recited in independent Claim 58. Kanter describes:

an incentive program which also allows a sponsoring financial institution to issue to participants, rebates...which can be redeemed in cash, coupons, checks, catalog products, trips, goods or service from designated merchants, or any combination thereof

[Column 15, lines 19-25.] Kanter thus describes a system in which a rebate may be redeemed in the form of a coupon. There is nothing in Kanter, however, that would suggest that a coupon in the Kanter system, once issued to a participant, has a variable benefit, or is associated with a condition for such variation. To the contrary, the coupon, like the alternatives of cash or catalog products, is merely a fixed form of the issued rebate.

Accordingly, there is nothing in either Christensen or Kanter, alone or in combination, that would suggest *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*.

In supporting his conclusory characterizations of Christensen and Kanter, the Examiner refers to nearly every line of each reference (see Third Office Action, page 5), none of which is at all relevant to for *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*. Appellants have requested that the Examiner identify the most relevant citations for the disclosure of Christensen that the Examiner believes suggests each particular limitation of Claim 1. [Appellants' First Response ("Christensen Does Not Suggest All of the Features of All of Claims 1-167"), page 39].

Tellingly, with the exception of the reference to FIG. 14 of Christensen, the Examiner has never offered any further clarification or reasoning.

Thus, the references, alone or in combination, do not suggest a limitation of *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*. The Examiner otherwise has failed to provide substantial evidence to support even a *prima facie* case of obviousness. The rejection fails for at least this reason.

20.3.2. No showing that the references suggest associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon

Similarly, the Examiner has not shown that the references, alone or in combination, suggest *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon* as recited in independent Claim 58.

There is no factual finding nor substantial evidence that any reference of record even remotely suggests such a feature. The Examiner's conclusory and unspecified assertion that Christensen "suggests" all of the features of every appealed claim is not substantial evidence. Further, the Examiner has not even specifically addressed any of the language of independent Claim 58, much less the above feature. There is nothing in the references that suggests that the benefit of a coupon changes, much less associating a first qualifying action with a

coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon.

20.3.3. No showing of a proper motivation to combine the references

Each rejection, including the rejection of Claim **58**, includes a combination of the Christensen and Kanter references. The Examiner simply has not shown a motivation in the prior art of record to modify the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

The applicable law is discussed in Section 5.3.6 above.

No Substantial Evidence of a Motivation to Combine

The Examiner relies on the same asserted motivations for all rejections. As discussed in Section 5.3.6 above (with respect to Claim **3**, which depends from independent Claim **1**), the Examiner has not provided substantial evidence of a motivation to combine the Christensen and Kanter references.

Further the Examiner has failed to provide substantial evidence of a motivation to combine the Christensen and Kanter references in such a way as to provide specifically for the feature of *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*. The Examiner does not make any findings with respect to a motivation to provide for this feature, and in fact does not even mention this feature at all.

With respect to reason (i), Motivation A of Kanter would not cause one to seek out a promotion system that relies exclusively on coupon distribution and redemption, much less the particular coupon system of Chistensen. Chistensen has nothing to do with “multilevel selling” on behalf of a merchant, an “incentive award program” in which participants can “redeem their earnings,” or motivating “participants to make referrals on behalf of the program.” Further, Christensen has nothing to do with either placing calls or discounts on calls, much less “wherein discounts apply on calls placed to certain individuals by those that recruited the individuals.” Accordingly, Motivation A would not have caused one to seek out Christensen.

Motivation B of Christensen would not cause one to seek out a system that disparages coupon distribution campaigns, much less the particular system of Kanter. Kanter has nothing to do with “improv[ing] consumer response to coupon distribution campaigns” or “provid[ing] more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.” In fact, as discussed in Section 3.3 above, Kanter teaches away from such promotional campaigns as time consuming, confusing and an “administrative nightmare.” Accordingly, Motivation B would not have caused one to seek out Kanter.

With respect to reason (ii), the combination (Chistensen and Kanter) does not further the proposed Motivation A or Motivation B. Chistensen does not in any way allow a customer to achieve discounts “on calls placed to certain individuals by those that recruited the individuals...[or to] provide an incentive award program which can motivate participants to make referrals on behalf of the

program.” Kanter does not in any way provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign.

With respect to reason (iii), neither Motivation A nor Motivation B would suggest the desirability of modifying the coupon distribution system of Christensen to provide specifically for the feature of *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*, as recited in independent Claim 58. The Examiner does not provide any reasoning or support in the evidence of record as to why the asserted desirability of "a merchant's multilevel selling campaign and/or incentive award program and redeem their earnings," "an incentive award program which can motivate participants to make referrals on behalf of the program," "to improve consumer response to coupon distribution campaigns," or "to provide more accurate data of which consumers redeem particular coupons in a coupon distribution campaign", would specifically suggest to one of ordinary skill in the art the desirability of *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient* in the Christensen system to meet any of the asserted desirable objectives.

Also, the asserted motivation "wherein discounts apply on calls placed to certain individuals by those that recruited the individuals" suggests neither that a benefit of a coupon may vary, nor *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*, much less a motivation for modifying the coupon distribution campaign system of Christensen. In fact, Kanter describes such "discounts on calls" as an incentive that was not available in the prior art to be offered by "any company

that is not a telecommunication service distributor, as obviously, such companies do not sell telecommunication services." [Column 14, lines 16-26.] It is not clear to Applicants how Kanter's description of how discounts on calls were previously unavailable as incentives for non-telecommunication companies suggests either a motivation to provide for *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient* or a motivation to modify the coupon distribution campaign system of Christensen.

Thus, the combination of Christensen and Kanter has nothing to do with the embodiment of Claim 58. Further, as described above, any such combination would still lack all of the features of Claim 58, and these features have significant advantages. Finally, any such combination would not solve any of the problems addressed by the embodiment of Claim 58.

Also, as discussed in Section 5.3.6 above, the Christensen and Kanter references are not analogous art.

20.3.4. Level of Skill

Applicable Law

A factual predicate underlying an obviousness determination is the level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The skill level is one component of the inquiry for a suggestion to combine. In re Rouffet, 149 F.3d 1350, 1359 (Fed. Cir. 1998).

Lacking a motivation to combine, there is no prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1358 (Fed. Cir. 1998). If examination at the initial stage does not produce a prima facie case of unpatentability, then

without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

Factual Findings

Though required to do so, the Examiner has not set forth any evidence relating to the level of ordinary skill in the art, and has not even alleged what the level of skill in the art would be. The rejection fails for at least this reason.

20.4. The Claims of GROUP XVI are Allowable Over the Cited References

As described above, the Examiner has failed to provide a *prima facie* showing of anticipation of the claims of GROUP XVI in light of either Christensen or Kanter.

In addition, as described above, neither of the references anticipates the claims of GROUP XVI.

In addition, the references cannot be combined in any manner that would render the claim of GROUP XVI obvious.

20.4.1. The references do not suggest all of the features

As discussed in Section 15.3.1 above, the cited references, alone or in combination, do not suggest the feature of:

- *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*

as provided for in Claim 58.

Accordingly, the references, alone or in combination, cannot teach or suggest all of the features of the claim of GROUP XVI.

20.4.2. No motivation to combine the references

As discussed in Section 15.3.2 above, the Examiner's purported finding of a suggestion in the record to make the combination and modification of the references does not in fact support any such modification or combination.

Further, Kanter teaches away from any combination with a promotion system based on coupon distribution, like Christensen.

20.5. The Claims of GROUP XVI are Statutory

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

In addition, the terseness of the rejection and lack of any analysis renders the rejection hopelessly vague and unreviewable.

20.5.1. The Basis for the Rejection

As best as Appellants understand the rejection of the claims of GROUP XVI as being directed to non-statutory subject matter, the basis for that rejection is:

- the claims are not “limited by language in the claims to a practical application within the technological arts associated with activity within a computer”

[Third Office Action, page 3].

As discussed in 5.5.4 above, the Examiner has applied a test that is contrary to law.

To the extent the rejection actually applied a standard that requires additional criteria or otherwise departs from the requisite legal analysis under § 101, the rejection is flawed.

Further, to the extent the rejection is based on a standard that departs from the policy of the U.S. Patent and Trademark Office without a rational basis, that standard is arbitrary.

The proper legal test for statutory subject matter is discussed in Section 5.5.2 above.

20.5.2. The Examiner Has Not Even Applied His Test to
GROUP XVI

Other than the conclusory statement that the claims fail to satisfy the standard(s) described above, there is no explanation of why the particular claims of GROUP XVI “are not limited by language in the claims to a practical application within the technological arts associated with activity within a computer.”

The Examiner has not set forth in the record any factual findings, such as:

- how various claim terms of Claim 58 have been construed (*e.g., changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*); and
- what exactly constitutes “language in the claims to a practical application within the technological arts associated with activity within a computer.”

Absent any findings, the result of the test purportedly applied cannot be evaluated, and must be considered arbitrary.

20.5.3. The Claims Meet the Standard for Statutory Subject Matter

The pending claims produce a useful, concrete and tangible result.

The Examiner in the Third Office Action provided a new basis for rejection under § 101, discussed herein. The Examiner did not mention at all whether the appealed claims have a useful, concrete and tangible result. Accordingly, the Examiner has not provided any factual evidence that Claim 58 (or any appealed claim) does not produce a useful, concrete and tangible result.

The claims of GROUP XVI all depend from independent Claim 58, which includes the limitations of *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*. In this way an entity (*e.g., the coupon offer issuer*) can adjust the benefit associated with a coupon. [See, *e.g., Specification*, page 21, lines 20-22]. Changing the benefit thus results in a useful, concrete and tangible result – a changed benefit for a coupon which, in some embodiments, may be provided to a recipient. The changed benefit may be relied on by a coupon issuer (*e.g., who*

may provide the changed benefit to a recipient) and / or coupon recipient (*e.g.*, in assessing the value of the coupon to the recipient). In this sense, the benefit described in Claim 58 is like the “final share price” deemed to be a useful, concrete and tangible result in State Street Bank. The processes claimed can by no stretch of the imagination be classified as “abstract ideas,” and are thus properly defined statutory processes.

It is also worth noting that the requirement for a “useful invention” is to be evaluated for the invention, and is not dependent on the breadth of the claims. Thus, if one species of an invention claimed as a genus is found to be “useful”, utility for the genus is established. Raytheon Co. v. Roper Corp., 724 F.2d 951, 958, 220 USPQ 592, 598 (Fed. Cir. 1983), cert. denied, 469 U.S. 835 (1984) (“When a properly claimed invention meets at least one stated objective, utility under § 101 is clearly shown.”). Utility is to be evaluated in a simple “yes” or “no” fashion (*i.e.*, does the invention as claimed possess or not possess utility). There is no subjective test for “utility” that must be deemed to be commensurate with the breadth of the claims being sought to be patented.

Moreover, the scope of the claims as presented encompasses a variety of specific implementations of the claimed processes. Certain of these embodiments implicate the use of servers and / or devices in the processes. [See, *e.g.*, Specification, page 29, lines 14-30]. Such device-based species clearly fall within the broader generic definition of the claimed processes. Given that utility for a genus may be established through a recitation of utility of a species within that genus, a rejection that the generically claimed processes lack utility is clearly improper.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to the rejected claims, which are all directed to statutory subject matter. Thus the Examiner has not provided a *prima facie* case that any claim of GROUP XVI is non-statutory.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XVI, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XVI, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XVI are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XVI are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

21. GROUP XVII

GROUP XVII includes dependent Claim 60.

Claim 60 depends from independent Claim 58 (GROUP XVI). Thus, all of the claims of GROUP XVII are patentable for the same reasons that the claims of GROUP XVI are patentable.

The rejection of GROUP XVII is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 60), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XVII.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XVII.

21.1. Claim 60

Claim 60 depends from independent Claim 58 and includes all of the limitations of Claim 58.

Claim 60 is directed to a method for changing a coupon's benefit. The method includes associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method also includes changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

The method further includes wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

21.2. Advantages of Claim 60

The embodiment of Claim 60 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 60 conferred by the limitations of Claim 58 are discussed in Section 20.2 above.

Claim 60 is further advantageous in that it allows for *wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.* As

discussed in the present application, in some embodiments, the notice of a completion of a qualifying action may be assumed to be received (even without receipt of an actual or physical notice or message) or may be received by default. That is, in such embodiments the qualifying action will be assumed to be completed unless a notice is received that indicates or states otherwise and no actual physical notice or message of completion of the qualifying action is sent and/or received due to the assumption. [Specification, page 26, lines 19-30]. Thus, some embodiments provide the benefit that an action is assumed to be completed unless a notice to the contrary is received.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

21.3. No Prima Facie Showing of Obviousness of GROUP XVII

The Examiner has based his rejections of the claims of GROUP XVII on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XVII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

21.3.1. No showing that the references suggest *wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*

The Examiner has not shown any reference teaching or suggesting the feature of *wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 60 was “well known.” [Third Office Action, page 8]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

None of the cited references (Christensen and Kanter) even hints at a feature in which *wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XVII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XVII, and

none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XVII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XVII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

22. GROUP XVIII

GROUP XVIII includes dependent Claims **63-66**.

Claims **63-66** depend from independent Claim **58** (GROUP XVI). Thus, all of the claims of GROUP XVIII are patentable for the same reasons that the claims of GROUP XVI are patentable.

The rejection of GROUP XVIII is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **63-66**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XVIII.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XVIII.

22.1. Claim 63

Claim 63 depends from independent Claim 58 and includes all of the limitations of Claim 58.

Claim 63 is directed to a method for changing a coupon's benefit. The method includes associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method also includes changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

The method further includes wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient.

Claims 64-66 each recite a limitation generally directed to *wherein said first qualifying action includes a second recipient receiving said coupon from said first recipient*. Although receiving and forwarding are not identical in scope, the arguments made herein with respect to the lack of substantial evidence in the record of a qualifying action including forwarding a coupon from a second party to a first party are equally applicable to a feature generally related to a qualifying action including receiving of a coupon by one party from a second party. Accordingly, although the discussion and arguments below refer to Claim 63, they are likewise applicable to Claims 64-66.

22.2. Advantages of Claim 63

The embodiment of Claim 63 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 63 conferred by the limitations of Claim 58 are discussed in Section 20.2 above.

Claim 63 is further advantageous in that it allows for *wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient*. As discussed in the present application, some embodiments provide the benefit of changing the benefit of a coupon if an initial recipient of the coupon forwards that coupon to another recipient. As a coupon is forwarded to another recipient, in some embodiments, the recipient value of the upstream recipient's coupon increases by an amount. [See, e.g., Specification, page 38, lines 31-34; page 40, lines 4-20]. Thus, changing the coupon's benefit upon notice of completion of forwarding of a coupon from a first recipient to a second recipient may fulfill an incentive to the first recipient to pass on that coupon.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

22.3. No Prima Facie Showing of Obviousness of GROUP XVIII

The Examiner has based his rejections of the claims of GROUP XVIII on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XVIII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

22.3.1. No showing that the references suggest *wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient*

The Examiner has not shown any reference teaching or suggesting the feature of *wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 63 was “well known.” [Third Office Action, page 8]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests forwarding a coupon from one recipient to another (or one recipient receiving a coupon from

another), much less in which a qualifying action comprises such forwarding, much less changing a benefit of a coupon upon receiving notice of completion of such an action. None of the cited references (Christensen and Kanter) even hints at a feature of *wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient*. The Examiner's conclusory and unsupported assessment that Christensen might "suggest" such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XVIII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XVIII, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XVIII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XVIII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

23. GROUP XIX

GROUP XIX includes dependent Claims **67-69**.

Claims **67-69** depend from independent Claim **58** (GROUP XVI). Thus, all of the claims of GROUP XIX are patentable for the same reasons that the claims of GROUP XVI are patentable.

The rejection of GROUP XIX is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claims **67-69**), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XIX.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XIX.

23.1. Claim 67

Claim **67** depends from independent Claim **58** and includes all of the limitations of Claim **58**.

Claim **67** is directed to a method for changing a coupon's benefit. The method includes associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method also includes changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

The method further includes associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon.

Claims **68 and 69** depend from Claim **67**. Accordingly, the arguments made with respect to Claim **67** are applicable equally to Claims **68 and 69**.

23.2. Advantages of Claim 67

The embodiment of Claim **67** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim **67** conferred by the limitations of Claim **58** are discussed in Section 20.2 above.

Claim 67 is further advantageous in that it allows for *associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon*. A benefit for a coupon may change depending on the actions of one or more initial recipients. [Specification, page 14, lines 20-23]. Thus, a qualifying action may be associated with one initial recipient, and a benefit associated with another initial recipient. As also discussed in the present application, a qualifying action may be based, for example, on actions of people or downstream recipients who receive the coupon or a copy of the coupon from an initial recipient. For instance, the coupon's benefit for an initial recipient may increase when a downstream recipient redeems the coupon, registers the coupon, forwards the coupon, etc., the redemption, registration, or forwarding of the coupon constituting qualifying actions. [Specification, page 16, lines 5-12].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

23.3. No Prima Facie Showing of Obviousness of GROUP XIX

The Examiner has based his rejections of the claims of GROUP XIX on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XIX.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

23.3.1. No showing that the references suggest *associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon*.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 67 was “well known.” [Third Office Action, page 8]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests changing the benefit of a coupon upon completion of a first qualifying action, much less changing the benefit of a coupon upon completion of a second qualifying action by a second recipient of the coupon.. None of the cited references (Christensen and Kanter) even hints at a feature of *associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon*. The Examiner’s

conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XIX, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XIX, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XIX are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XIX are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

24. GROUP XX

GROUP XX includes dependent Claim 71.

Claim 71 depends from independent Claim 58 (GROUP XVI). Thus, all of the claims of GROUP XX are patentable for the same reasons that the claims of GROUP XVI are patentable.

The rejection of GROUP XX is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 71), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XX.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XX.

24.1. Claim 71

Claim 71 depends from independent Claim 58 and includes all of the limitations of Claim 58.

Claim 71 is directed to a method for changing a coupon's benefit. The method includes associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method also includes changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

The method further includes crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon.

24.2. Advantages of Claim 71

The embodiment of Claim 71 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 71 conferred by the limitations of Claim 58 are discussed in Section 20.2 above.

Claim 71 is further advantageous in that it allows for *crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon*. Thus, some

embodiments of the present invention provide the advantage that even after a recipient has redeemed a coupon, if that coupon's benefit increases (*e.g.*, by completion of some qualifying action), the recipient may still receive some benefit via the crediting of a financial account.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

24.3. No Prima Facie Showing of Obviousness of GROUP XX

The Examiner has based his rejections of the claims of GROUP XX on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XX.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

24.3.1. No showing that the references suggest *crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *crediting a financial account associated with said first recipient if said*

benefit of said coupon increases after said first recipient has redeemed said coupon.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 71 was “well known.” [Third Office Action, page 8]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests any crediting of a financial account after a recipient has redeemed a coupon, much less if the coupon’s benefit has increased. None of the cited references (Christensen and Kanter) even hints at a feature of *crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XX, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XX, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XX are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XX are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

25. GROUP XXI

GROUP XXI includes dependent Claim 72.

Claim 72 depends from independent Claim 58 (GROUP XVI). Thus, all of the claims of GROUP XXI are patentable for the same reasons that the claims of GROUP XVI are patentable.

The rejection of GROUP XXI is further flawed because the Examiner has not shown all limitations of any claim to be disclosed or suggested by the references, alone or in combination:

- the Examiner has conceded that no substantial evidence has been provided in support of any rejection of any of the appealed dependent claims (including Claim 72), and has thus conceded that no *prima facie* case of obviousness has been established for any of the claims of GROUP XXI.

In addition, the § 103 rejection fails because the cited references do not teach or suggest any limitation generally related to:

- *issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon.*

The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XXI.

25.1. Claim 72

Claim 72 depends from independent Claim 58 and includes all of the limitations of Claim 58.

Claim 72 is directed to a method for changing a coupon's benefit. The method includes associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method also includes changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

The method further includes issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon.

25.2. Advantages of Claim 72

The embodiment of Claim 72 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, the advantages of Claim 72 conferred by the limitations of Claim 58 are discussed in Section 20.2 above.

Claim 72 is further advantageous in that it allows for *issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon*. Thus, some embodiments of the

present invention provide the advantage that even after a recipient has redeemed a coupon, if that coupon's benefit increases (*e.g.*, by completion of some qualifying action), the recipient may still receive some benefit via the issuing of a new coupon.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

25.3. No Prima Facie Showing of Obviousness of GROUP XXI

The Examiner has based his rejections of the claims of GROUP XXI on a view of the prior art that is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a *prima facie* case of obviousness of any claim of GROUP XXI.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

25.3.1. No showing that the references suggest *issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon*

The Examiner has not shown any reference teaching or suggesting the feature of *issuing a new coupon to said first recipient of said coupon if said*

benefit of said coupon increases after said first recipient has redeemed said coupon.

“Official Notice” is Unsupported

The Examiner makes the unsupported assertion that this feature of Claim 72 was “well known.” [Third Office Action, page 8]. As discussed in Section 4 above, the Examiner has conceded that no *prima facie* case of obviousness of any dependent claim has been established.

There is no reference of record that even remotely suggests issuing a new coupon if the coupon’s benefit has increased after the coupon was redeemed. None of the cited references (Christensen and Kanter) even hints at a feature of *issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon*. The Examiner’s conclusory and unsupported assessment that Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XXI, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XXI, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XXI are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XXI are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

26. GROUP XXII

GROUP XXII includes independent Claims **162-167**.

The rejection of the claims of GROUP XXII is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP XXII.

In particular, the Examiner has not shown all limitations of the claims of GROUP XXII to be disclosed or suggested by the references, alone or in combination, including:

- *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed.*

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XXII.

Also, the § 101 rejections fail because the Examiner has not applied the Federal Circuit's proper "useful, concrete and tangible result" standard. Instead, the Examiner has imposed a novel *per se* requirement that claims must include language "associated with activity within a computer."

26.1. Independent Claim 167

Claim 167 is directed to a method for changing a coupon's benefit. The method comprises associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The method further includes changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed.

Each of independent Claims 162-166 contains a limitation generally directed to changing (or updating) a benefit of a coupon unless a determination is made (or notice is received) that a qualifying action has not been completed. Accordingly, arguments made herein with respect to Claim 167 are applicable equally to independent Claims 162-166.

26.2. Advantages of Claim 167

The embodiment of Claim 167 provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

In general, as discussed in the present application, the method of Claim 167 is advantageous in that it provides for *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon*. As discussed in the present application, some embodiments of the present invention provide for a coupon

having a benefit that may change by a recipient's completing of a qualifying action associated with the coupon.

Claim 167 is further advantageous in that it provides for *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*. As discussed in the present application, in some embodiments, completion of a qualifying action may be assumed to be completed unless a notice is received that indicates or states otherwise. No actual physical notice or message of completion of the qualifying action need be sent and / or received due to the assumption. [Specification, page 26, lines 19-30]. Thus, some embodiments provide the benefit that the benefit of a coupon is changed because an action is assumed to have been completed unless a notice to the contrary is received.

By *changing said benefit of said coupon*, an entity (e.g., the coupon offer issuer) can adjust the benefit associated with a coupon. For example, a change to the coupon's benefit may be determined and the benefit updated. In one example, a coupon having an initial benefit of five dollars may increase its benefit by two dollars if the initial recipient registers or forwards the coupon with five days of receiving the coupon in accordance with a benefit variation condition. [Specification, page 21, lines 20-22].

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

26.3. No Prima Facie Showing of Obviousness of GROUP XXII

The Examiner has based his rejections of the claims of GROUP XXII on a view of the prior art which is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP XXII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

26.3.1. No showing that the references suggest *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*

The Examiner has not shown any reference teaching or suggesting the feature of *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*.

Factual Findings

The closest the Examiner comes is the statement: “Independent claims 162-167 are rejected for substantially the same reasons as independent claim 58,” which is rejected “for substantially the same reasons as independent claim 48,” which is rejected “for substantially the same reasons as independent claim 1.” [Third Office Action, pages 6, 8, 10].

The Examiner's cursory findings with respect to independent Claim 1 are discussed in Section 7.3.1 above. In summary, the Examiner has asserted that Christensen somehow "suggests" all of the features of Claims 1 and that Kanter somehow "shows elements that suggest the 'variation condition' elements and limitations of claim 1."

There is no finding by the Examiner as to how the Examiner has interpreted any language of Claim 167 (or any claim of GROUP XXII), which differs from that of Claim 1, much less any finding as to how any portion of either Christensen or Kanter suggests any subject matter of Claim 167.

It is not clear if the Examiner has even considered the limitations of Claim 167 (or any claim of GROUP XXII). Each of the claims of GROUP XXII includes a limitation generally directed to changing or updating a benefit of a coupon unless it is determined that a qualifying action has not been completed. The Examiner does not even address any such limitation.

Further, the term "benefit variation condition" does not even appear in Claims 164-167.

The Examiner might be relying on Christensen (perhaps in FIG. 14) as somehow "suggesting" *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed.*

In fact, Christensen and Kanter lack any hint of such a feature.

The Examiner also may be relying on the conclusory statement that Christensen "shows elements that suggest" all of the limitations recited in every appealed claim. [Third Office Action, pages 4-10]. Specifically with respect to the above limitation, the Examiner asserts that Christensen "shows elements that

suggest the elements and limitations of claim 1,” including “the ‘variation condition’ elements and limitations.” [Third Office Action, page 4].

As discussed in Section 7.3.1 above, no reasoning or explanation is provided for the Examiner’s conclusory statements. Appellants have traversed the omnibus assertions as to what Christensen and Kanter supposedly “suggest.” [Appellants’ First Response, pages 39 (“Christensen Does Not Suggest All of the Features of All of Claims 1-167”) and 40].

With the exception of noting FIG. 14 of Christensen during the Interview, the Examiner has never provided any additional findings or clarification in the record. The Examiner has never clarified as to how FIG. 14 in particular shows a “benefit variation” (Claim 1) nor has the Examiner ever asserted any finding of any reference as to any specific limitation of Claim 167.

These Findings Have No Support in the Record

There is no substantial evidence in the record that Chistensen or Kanter would suggest *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*.

There is no reference of record that even remotely suggests changing a benefit of a coupon, much less changing the benefit unless it is determined that a qualifying action has not been completed. None of the cited references (Christensen and Kanter) even hints at a feature of *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*. The Examiner’s conclusory and unsupported assessment that

Christensen might “suggest” such a limitation is not substantial evidence supported by the record.

As noted above, the Examiner has failed to specifically address any limitation of Claim 167, stating only that the reasons for rejection are “substantially the same” as for independent Claims 58, 48 and 1. The Examiner, however, has failed to provide any indication as to how any language of Claim 167 is being interpreted or what reference purportedly suggests any particular feature.

Nowhere in any Office Action has the Examiner asserted what any portion of Christensen explicitly discloses. As discussed in Section 7.3.1 above, FIG. 14 is devoid of any hint of “benefit variation” of a coupon. FIG. 14 is a further detail of FIG. 6. [Column 5, line 24]. Each of FIG. 6 and FIG. 14 illustrates a display coupon menu from which “a consumer may select a coupon for printing by clicking on the coupon or selecting the coupon using a pull-down menu or the like.” [Column 9, lines 9-14].

Thus, there is no suggestion in either figure (or accompanying text) that the benefit of a particular coupon in the Christensen system may vary, much less a condition by which the benefit of a coupon may vary, much less changing the associated benefit of a coupon upon receiving notice of completion of a qualifying action.

Also, contrary to the Examiner's implied assertion, Kanter is devoid of any hint or suggestion of a “variation condition,” much less for *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*, as recited in independent Claim 167. Kanter describes:

an incentive program which also allows a sponsoring financial institution to issue to participants, rebates...which can be redeemed in cash, coupons, checks, catalog products, trips, goods or service from designated merchants, or any combination thereof

[Column 15, lines 19-25.] Kanter thus describes a system in which a rebate may be redeemed in the form of a coupon. There is nothing in Kanter, however, that would suggest that a coupon in the Kanter system, once issued to a participant, has a variable benefit, or is associated with a condition for such variation. To the contrary, the coupon, like the alternatives of cash or catalog products, is merely a fixed form of the issued rebate.

Accordingly, there is nothing in either Christensen or Kanter, alone or in combination, that would suggest *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*.

In supporting his conclusory characterizations of Christensen and Kanter, the Examiner refers to nearly every line of each reference (see Third Office Action, page 5), none of which is at all relevant to for *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*. Appellants have requested that the Examiner identify the most relevant citations for the disclosure of Christensen that the Examiner believes suggests each particular limitation of Claim 1. [Appellants' First Response ("Christensen Does Not Suggest All of the Features of All of Claims 1-167"), page 39].

Tellingly, with the exception of the reference to FIG. 14 of Christensen, the Examiner has never offered any further clarification or reasoning.

Thus, the references, alone or in combination, do not suggest a limitation of *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*. The Examiner otherwise has failed to provide substantial evidence to support even a *prima facie* case of obviousness. The rejection fails for at least this reason.

26.3.2. No showing that the references suggest associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon

Similarly, the Examiner has not shown that the references, alone or in combination, suggest *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon* as recited in independent Claim 167.

There is no factual finding nor substantial evidence that any reference of record even remotely suggests such a feature. The Examiner's conclusory and unspecified assertion that Christensen "suggests" all of the features of every appealed claim is not substantial evidence. Further, the Examiner has not even specifically addressed any of the language of independent Claim 167, much less the above feature. There is nothing in the references that suggests that the benefit of a coupon changes, much less associating a first qualifying action with a coupon, *whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon*.

26.3.3. No showing of a proper motivation to combine the references

Each rejection, including the rejection of Claim 1, includes a combination of the Christensen and Kanter references. The Examiner simply has not shown a motivation in the prior art of record to modify the references in the manner proposed by the Examiner, or in any other manner that renders the claims obvious.

The applicable law is discussed in Section 5.3.6 above.

No Substantial Evidence of a Motivation to Combine

The Examiner relies on the same asserted motivations for all rejections. As discussed in Section 5.3.6 above (with respect to Claim 3, which depends from independent Claim 1), the Examiner has not provided substantial evidence of a motivation to combine the Christensen and Kanter references to provide specifically for the claimed features of either *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed* or *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon*. Also, as discussed in Section 5.3.6 above, the references are not analogous art.

26.3.4. Level of Skill

Applicable Law

A factual predicate underlying an obviousness determination is the level of ordinary skill in the art. In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). The skill level is one component of the inquiry for a suggestion to combine. In re Rouffet, 149 F.3d 1350, 1359 (Fed. Cir. 1998).

Lacking a motivation to combine, there is no prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1358 (Fed. Cir. 1998). If examination at the initial stage does not produce a prima facie case of unpatentability, then without more the applicant is entitled to grant of the patent. In re Oetiker, 977 F.2d 1443, 1445 (Fed. Cir. 1992).

Factual Findings

Though required to do so, the Examiner has not set forth any evidence relating to the level of ordinary skill in the art, and has not even alleged what the level of skill in the art would be. The rejection fails for at least this reason.

26.4. The Claims of GROUP XXII are Statutory

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

In addition, the terseness of the rejection and lack of any analysis renders the rejection hopelessly vague and unreviewable.

26.4.1. The Basis for the Rejection

As best as Appellants understand the rejection of the claims of GROUP XXII as being directed to non-statutory subject matter, the basis for that rejection is:

- the claims are not “limited by language in the claims to a practical application within the technological arts associated with activity within a computer” [Third Office Action, page 3].

As discussed in 5.5.4 above, the Examiner has applied a test that is contrary to law. The proper legal test for statutory subject matter is discussed in Section 5.5.2 above.

26.4.2. The Examiner Has Not Even Applied His Test to GROUP XXII

Other than the conclusory statement that the claims fail to satisfy the standard(s) described above, there is no explanation of why the particular claims of GROUP XXII “are not limited by language in the claims to a practical application within the technological arts associated with activity within a computer.”

The Examiner has not set forth in the record any factual findings, such as:

- how various claim terms of Claim 167 have been construed (*e.g., associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon, and changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*); and

- what exactly constitutes “language in the claims to a practical application within the technological arts associated with activity within a computer.”

Absent any findings, the result of the test purportedly applied cannot be evaluated, and must be considered arbitrary.

26.4.3. The Claims Meet the Standard for Statutory Subject Matter

The pending claims produce a useful, concrete and tangible result.

The Examiner in the Third Office Action provided a new basis for rejection under § 101, discussed herein. The Examiner did not mention at all whether the appealed claims have a useful, concrete and tangible result. Accordingly, the Examiner has not provided any factual evidence that Claim **167** (or any appealed claim) does not produce a useful, concrete and tangible result.

The claims of GROUP XXII include the limitation of *changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed*, by which an entity (e.g., the coupon offer issuer) can adjust the benefit associated with a coupon. [See, e.g., Specification, page 21, lines 20-22].

Changing a benefit thus results in a useful, concrete and tangible result – a changed benefit for a coupon which, in some embodiments, may be provided to a recipient. The updated benefit may be relied upon by the issuer and the recipient. In this sense, the benefit described in Claim **167** is like the “final share price” deemed to be a useful, concrete and tangible result in State Street Bank. The

processes claimed can by no stretch of the imagination be classified as “abstract ideas,” and are thus properly defined statutory processes.

It is also worth noting that the requirement for a “useful invention” is to be evaluated for the invention, and is not dependent on the breadth of the claims. Thus, if one species of an invention claimed as a genus is found to be “useful”, utility for the genus is established. Raytheon Co. v. Roper Corp., 724 F.2d 951, 958, 220 USPQ 592, 598 (Fed. Cir. 1983), cert. denied, 469 U.S. 835 (1984) (“When a properly claimed invention meets at least one stated objective, utility under § 101 is clearly shown.”). Utility is to be evaluated in a simple “yes” or “no” fashion (i.e., does the invention as claimed possess or not possess utility). There is no subjective test for “utility” that must be deemed to be commensurate with the breadth of the claims being sought to be patented.

Moreover, the scope of the claims as presented encompass a variety of specific implementations of the claimed processes. Certain of these embodiments implicate the use of servers and / or devices in the processes. [See, *e.g.*, Specification, page 29, lines 14-30]. Such device-based species clearly fall within the broader generic definition of the claimed processes. Given that utility for a genus may be established through a recitation of utility of a species within that genus, a rejection that the generically claimed processes lack utility is clearly improper.

For all of the above reasons, the proper legal standard for statutory subject matter was not applied to the rejected claims, which are all directed to statutory

subject matter. Thus the Examiner has not provided a *prima facie* case that any claim of GROUP XXII is non-statutory.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XXII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XXII, and none of the references (alone or in combination) possess the advantages conferred by those limitations. The Examiner also has not set forth a *prima facie* case that the claims of GROUP XXII are non-statutory. Accordingly, for at least those reasons, the claims of GROUP XXII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

27. GROUP XXIII

GROUP XXIII includes independent Claims **150-153**.

The rejection of the claim of GROUP XXIII is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP XXIII.

In particular, the Examiner has not shown all limitations of any claim of GROUP XXIII to be disclosed or suggested by the references, alone or in combination, including:

- *changing [or modifying] said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.*

The rejection is also based on improper combinations and modifications of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The Examiner has thus failed to establish a *prima facie* case of obviousness of the claims of GROUP XXIII.

27.1. Independent Claim 150

Claim **150** is directed to a system for changing a benefit associated with a coupon. The system includes a processor connected to a memory and a communication port. The processor is operative to associate a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon. The

processor is also operative to change said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

The other claims of GROUP XXIII are directed to a computer readable medium for use in a coupon system (Claim **151**), an article of manufacture including computer readable program means (Claim **152**), and an apparatus for changing a benefit associated with a coupon (Claim **153**), each including respective means for performing the described functions of (i) associating a qualifying action and (ii) changing (or modifying) a benefit of a coupon upon receipt of an indication of completion of a first qualifying action by a first recipient. Accordingly, the arguments made with respect to Claim **150** are applicable equally to independent Claims **151-153**.

27.2. Advantages of Claim 150

The embodiment of Claim **150** provides several advantages not even disclosed or suggested, much less recognized, by the prior art of record (either alone or in combination). These advantages render the claimed subject matter nonobvious over the cited references.

The advantages of the system of Claim **150** are discussed in Section 20.2 above with respect to Claim **58**.

A great many more advantageous and diverse uses of the claimed invention, both explicit and implicit in the present Application, are possible and would be apparent to those of skill in the art based on the Appellants' disclosure.

27.3. No Prima Facie Showing of Obviousness of GROUP XXIII

The Examiner has based his rejections of the claims of GROUP XXIII on a view of the prior art which is unsupported by the record. Even after Appellants requested documentary support, the Examiner did not provide any evidence supporting his allegations about the scope and content of the prior art. Accordingly, the Examiner has not presented a prima facie case of obviousness of any claim of GROUP XXIII.

The proper legal standard under § 103(a) is described in Section 5.3.1 above.

The claims of GROUP XXIII are allowable over the cited references for at least the same reasons stated in Section 20.3 above with respect to Claim 58 (GROUP XVI). Specifically, there is no showing that the references suggest (i) *changing [or modifying] said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*, or (ii) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon*.

The closest the Examiner comes is the statement: “Independent claims 149-153 is rejected for substantially the same reasons as independent claim 48,” which is rejected “for substantially the same reasons as independent claim 1.” [Third Office Action, pages 6, 8, 10].

The Examiner’s cursory findings with respect to independent Claim 1 are discussed in Section 7.3.1 above. In summary, the Examiner has asserted that Christensen somehow “suggests” all of the features of Claims 1 and that Kanter

somehow “shows elements that suggest the ‘variation condition’ elements and limitations of claim 1.”

In fact, as discussed in Section 20.3 above, Christensen and Kanter lack any hint of such features.

There is no factual finding nor substantial evidence that any reference of record even remotely suggests such features. The Examiner’s conclusory and unspecified assertion that Christensen “suggests” all of the features of every appealed claim is not substantial evidence. Further, the Examiner has not even specifically addressed any of the language of independent Claim 150, much less the above features. There is nothing in the references that suggests that the benefit of a coupon changes, much less (i) *changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient*; or (ii) *associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon*. The rejection fails for at least this reason.

As discussed in Section 20.3.3 above, the Examiner has failed to show substantial evidence of a proper motivation to combine the cited Christensen and Kanter. The rejection fails for at least this reason.

As discussed in Section 20.3.4 above, the Examiner has failed to set forth any evidence relating the level of ordinary skill in the art, and has not even alleged what the level of skill in the art would be. The rejection fails for at least this reason.

In conclusion, the Examiner has not set forth a *prima facie* case of obviousness of the claims of Group XXIII, none of the references (alone or in combination) disclose or suggest the limitations of the claims of Group XXIII, and none of the references (alone or in combination) possess the advantages conferred by those limitations. Accordingly, for at least those reasons, the claims of GROUP XXIII are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

28. GROUP XXIV

GROUP XXIV includes independent Claims **94 and 144-146**.

The rejection of the claims of GROUP XXIV is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP XXIV.

The system and article of manufacture claims of GROUP XXIV include limitations substantially similar to those of independent method Claim 1 (GROUP III).

Some of the numerous advantages of the claims of GROUP XXIV are not even suggested by any cited reference and are discussed in Section 7.2 above with respect to independent Claim 1 (GROUP III).

According to the Examiner's chain of referential bases for rejection, the Examiner has apparently rejected all of the claims of GROUP XXIV (Claims **94 and 144-146**) as being obvious "for substantially the same reasons as independent claim 1." [See, Third Office Action, pages 6 (equating rejection of Claim **48** to that of Claim **1**), 9 (equating rejection of Claim **94** to that of Claim **1** and rejection of Claim **144** to that of Claim **48**), and 10 (equating rejection of Claims **145 and 146** to that of Claim **1**)].

The Examiner has failed to establish a *prima facie* case of obviousness of the claims of GROUP XXIV for the same reasons stated in Section 7.3 above with respect to independent Claim 1 (GROUP III). In particular, the Examiner

has not shown all limitations of the claims of GROUP XXIV to be disclosed or suggested by the references, alone or in combination, including recited means to:

- *establish a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action; or*
- *update said coupon's benefit in accordance with said benefit variation condition.*

The rejection is also based on improper combinations of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The failure of the Examiner to provide substantial evidence of a proper motivation to combine the references is discussed in Section 7.3.2 above with respect to independent Claim 1 (GROUP III). The failure of the Examiner to make any finding of a level of skill in the art is discussed in Section 5.3.8 above with respect to independent Claim 3 (GROUP I).

The Examiner has failed to establish a *prima facie* case of obviousness of the claims of GROUP XXIV for at least these reasons.

Aside from the Examiner's failure to establish a *prima facie* case, the references do not teach or suggest any such features, as discussed in Section 5.4 above with respect to Claim 3 (GROUP I).

Accordingly, for at least those reasons, the claims of GROUP XXIV are patentable in view of the cited references.

SEPARATE ARGUMENT OF PATENTABILITY

29. GROUP XXV

GROUP XXV includes independent Claims **95 and 147-149**.

The rejection of the claims of GROUP XXV is flawed because the Examiner has not made a *prima facie* case of unpatentability of any claim of GROUP XXV.

The system and article of manufacture claims of GROUP XXV include limitations substantially similar to those of independent method Claim **48** (GROUP XI).

Some of the numerous advantages of the claims of GROUP XXV are not even suggested by any cited reference and are discussed in Section 15.2 above with respect to independent Claim **48** (GROUP XI).

According to the Examiner's chain of referential bases for rejection, the Examiner has apparently rejected all of the claims of GROUP XXV (Claims **95 and 147-149**) as being obvious "for substantially the same reasons as independent claim 1." [See, Third Office Action, pages 6 (equating rejection of Claim **48** to that of Claim **1**), 9 (equating rejection of Claim **95** to that of Claim **1**), and 10 (equating rejection of Claims **147 and 148** to that of Claim **1** and rejection of Claim **144** to that of Claim **48**)].

The Examiner has failed to establish a *prima facie* case of obviousness of the claims of GROUP XXV for the same reasons stated in Section 15.3 above with respect to independent Claim **48** (GROUP XI). In particular, the Examiner

has not shown all limitations of the claims of GROUP XXV to be disclosed or suggested by the references, alone or in combination, including recited means to:

- *changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.*

The rejection is also based on improper combinations of the references without adequate motivation in the prior art for making the proposed combinations and modifications. The failure of the Examiner to provide substantial evidence of a proper motivation to combine the references is discussed in Section 15.4.2 above with respect to independent Claim 48 (GROUP XI). The failure of the Examiner to make any finding of a level of skill in the art is discussed in Section 15.3.3 above with respect to independent Claim 48 (GROUP XI).

The Examiner has failed to establish a *prima facie* case of obviousness of the claims of GROUP XXV for at least these reasons.

Aside from the Examiner's failure to establish a *prima facie* case, the references do not teach or suggest any such features, as discussed in Section 15.4 above with respect to Claim 48 (GROUP XI).

Accordingly, for at least those reasons, the claims of GROUP XXV are patentable in view of the cited references.

CONCLUSION

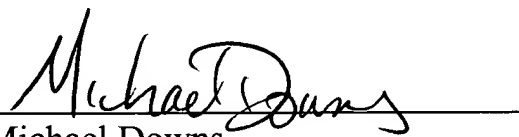
Thus, the Examiner's rejection of the pending claims is improper at least because the Examiner has not provided a proper legal basis for rejecting any claim. Therefore, Appellants respectfully request that the Examiner's rejections be reversed.

If any issues remain, or if there are any further suggestions for expediting allowance of the present application, please contact Michael Downs using the information provided below.

Appellants hereby request any extension of time that may be required to make this Appeal Brief timely. Please charge any fees that may be required for this paper, or credit any overpayment, to Deposit Account No. 50-0271.

Respectfully submitted,

June 25, 2004
Date


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APPENDIX A
CLEAN COPY OF CLAIMS INVOLVED IN THE APPEAL

Claims **1-44, 46-74, 87, 94, 95, 144-153 and 162-167** are being appealed.

Claims **1, 48, 58, 87, 94, 95, 144-153 and 162-167** are independent.

1. (ORIGINAL) A method for changing a benefit associated with a coupon, comprising:
 - establishing an initial benefit for a coupon;
 - establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action;
 - receiving notice of a completion of said at least one qualifying action; and
 - updating said coupon's benefit in accordance with said benefit variation condition.

2. (ORIGINAL) The method of claim 1, wherein said qualifying action is associated with at least one of the following:
 - an initial recipient of said coupon;
 - a primary recipient of said coupon;
 - a secondary recipient of said coupon; and
 - a tertiary recipient of said coupon.

3. (ORIGINAL) The method of claim 1, wherein said updated benefit of said coupon is associated with a first recipient of said coupon and said qualifying action is associated with a second recipient of said coupon.

4. (ORIGINAL) The method of claim 3, wherein said second recipient is a downstream recipient of said first recipient.

5. (ORIGINAL) The method of claim 3, further comprising:
providing an indication to said first recipient of a completion of said qualifying action by said second recipient.

6. (ORIGINAL) The method of claim 3, wherein said qualifying action includes at least one of the following:
said second recipient registering said coupon;
said second recipient redeeming said coupon; or
said second recipient forwarding said coupon.

7. (ORIGINAL) The method of claim 3, wherein said benefit variation condition has a second associated qualifying action.

8. (ORIGINAL) The method of claim 7, wherein said second qualifying action includes at least one of the following:

said first recipient registering said coupon;
said first recipient redeeming said coupon; or
said first recipient forwarding said coupon.

9. (ORIGINAL) The method of claim 1, further comprising:
establishing at least one validity duration condition for said coupon.

10. (ORIGINAL) The method of claim 9, wherein said coupon has one of the following:

a finite duration; or
an infinite duration.

11. (ORIGINAL) The method of claim 1, wherein said notice of a completion of said at least one qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

12. (ORIGINAL) The method of claim 1, wherein said benefit variation condition includes a validity duration condition for said coupon.

13. (ORIGINAL) The method of claim 1, further comprising:
receiving a request to update said coupon's benefit.

14. (ORIGINAL) The method of claim 1, further comprising:
notifying a recipient of said coupon after updating said benefit of said coupon.
15. (ORIGINAL) The method of claim 13, further comprising:
providing an indication of said coupon's updated benefit.
16. (ORIGINAL) The method of claim 1, wherein said coupon has an
initial benefit greater than or equal to zero.
17. (ORIGINAL) The method of claim 1, wherein said establishing a
benefit variation condition associated with said coupon includes establishing a
maximum benefit for said coupon.
18. (ORIGINAL) The method of claim 1, further comprising:
issuing said coupon to at least one recipient.
19. (ORIGINAL) The method of claim 18, further comprising:
including establishing a variable benefit to said coupon.
20. (ORIGINAL) The method of claim 1, wherein said benefit variation
conditions can cause said coupon's benefit to be adjusted upon said receiving
notice of a completion of said at least one qualifying action.

21. (ORIGINAL) The method of claim 1, wherein said qualifying action includes at least one of the following:

a first recipient of said coupon forwarding said coupon to a second recipient;

an initial recipient of said coupon receiving said coupon;

an initial recipient of said coupon registering said coupon;

an initial recipient of said coupon redeeming said coupon;

an initial recipient of said coupon forwarding said coupon;

a primary recipient of said coupon receiving said coupon;

a primary recipient of said coupon registering said coupon;

a primary recipient of said coupon redeeming said coupon;

a primary recipient of said coupon forwarding said coupon;

a secondary recipient of said coupon receiving said coupon;

a secondary recipient of said coupon registering said coupon;

a secondary recipient of said coupon redeeming said coupon;

a secondary recipient of said coupon forwarding said coupon;

a tertiary recipient of said coupon receiving said coupon;

a tertiary recipient of said coupon registering said coupon;

a tertiary recipient of said coupon redeeming said coupon;

a tertiary recipient of said coupon forwarding said coupon;

a recipient of said coupon registering said coupon; or

a recipient of said coupon redeeming said coupon.

22. (ORIGINAL) The method of claim 1, further comprising:
establishing an initial benefit for said coupon.
23. (ORIGINAL) The method of claim 1, further comprising:
modifying said benefit variation condition.
24. (ORIGINAL) The method of claim 1, wherein said qualifying action
includes a recipient of said coupon redeeming said coupon within a
predetermined time period.
25. (ORIGINAL) The method of claim 24, wherein said coupon's
benefit changes a first amount if said recipient of said coupon redeems said
coupon within said predetermined time period.
26. (ORIGINAL) The method of claim 25, wherein said coupon's
benefit changes a second amount if said recipient of said coupon redeems said
coupon after said predetermined time period.
27. (ORIGINAL) The method of claim 26, wherein said second amount
is less than said first amount.
28. (ORIGINAL) The method of claim 24, wherein said coupon's
benefit changes a first amount if said recipient of said coupon registers said
coupon within said predetermined time period.

29. (ORIGINAL) The method of claim 28, wherein said coupon's benefit changes a second amount if said recipient of said coupon registers said coupon after said predetermined time period.

30. (ORIGINAL) The method of claim 1, further comprising:
tracking recipients of said coupon.

31. (ORIGINAL) The method of claim 1, further comprising:
tracking dissemination of said coupon.

32.(ORIGINAL) The method of claim 1, further comprising:
tracking at least one hierarchy of recipients of said coupon.

33. (ORIGINAL) The method of claim 1, further comprising:
creating a hierarchy of recipients of said coupon.

34. (ORIGINAL) The method of claim 1, wherein said coupon's benefit increases a first amount if an initial recipient of said coupon forwards said coupon to a primary recipient.

35. (ORIGINAL) The method of claim 34, where said coupon's benefit increases a second amount if said primary recipient of said coupon forwards said coupon to a secondary recipient.

36. (ORIGINAL) The method of claim 35, wherein said second amount is less than or equal to said first amount.

37. (ORIGINAL) The method of claim 35, where said coupon's benefit increases a third amount if said secondary recipient of said coupon forwards said coupon to a tertiary recipient.

38. (ORIGINAL) The method of claim 37, wherein said third amount is less than or equal to said second amount.

39. (ORIGINAL) The method of claim 1, wherein said benefit variation condition includes establishing a maximum benefit for said coupon.

40. (ORIGINAL) The method of claim 1, wherein said benefit variation condition associated with said coupon includes a recipient variable benefit assigned to a redeemer of said coupon.

41. (ORIGINAL) The method of claim 1, wherein said establishing a benefit variation condition associated with said coupon includes establishing at least one recipient variable benefit for a recipient of said coupon.

42. (ORIGINAL) The method of claim 1, further comprising:
crediting a financial account associated with a recipient of said coupon if
said coupon's benefit increases after said recipient has redeemed said coupon.

43. (ORIGINAL) The method of claim 1, further comprising:
issuing a new coupon to a recipient of said coupon if said coupon's benefit
increases after said recipient has redeemed said coupon.

44. (ORIGINAL) The method of claim 1, further comprising:
monitoring at least one of a number of recipients receiving said coupon,
registering said coupon, or redeeming said coupon.

46. (ORIGINAL) The method of claim 1, wherein said initial benefit is
associated with a recipient of said coupon.

47. (ORIGINAL) The method of claim 1, wherein said initial benefit is
based upon at least one of the following:

- a status of a recipient of said coupon;
- a coupon registration history of a recipient of said coupon;
- a coupon redemption history of a recipient of said coupon; and
- a personal preference of a recipient of said coupon.

48. (ORIGINAL) A method for varying a benefit associated with a coupon, comprising:

associating an initial benefit with a coupon;
establishing a first qualifying action associated with said coupon; and
changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

49. (ORIGINAL) The method of 48, further comprising:
providing said coupon to at least one initial recipient.

50. (ORIGINAL) The method of 49, wherein said first qualifying action includes forwarding of said coupon by said initial recipient to a primary recipient.

51. (ORIGINAL) The method of claim 50, further comprising:
establishing a second qualifying action associated with said coupon.

52. (ORIGINAL) The method of claim 51, further comprising:
changing said coupon's associated benefit a second amount upon receiving notice of a completion of said second qualifying action.

53. (ORIGINAL) The method of claim 51, wherein said second qualifying action includes forwarding of said coupon by said primary recipient to a secondary recipient.

54. (ORIGINAL) The method of claim 49, wherein said first qualifying action includes a primary recipient receiving said coupon from said initial recipient.

55. (ORIGINAL) The method of claim 48, further comprising:
crediting a financial account associated with a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon.

56. (ORIGINAL) The method of claim 48, further comprising at least one of the following:
issuing a new coupon to a recipient of said coupon if said benefit of said coupon increases after said recipient has redeemed said coupon; and
notifying a recipient of said coupon of a change in benefit of said coupon.

57. (ORIGINAL) The method of claim 48, wherein said notice of a completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

58. (ORIGINAL) A method for changing a coupon's benefit, comprising:

associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

changing said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

59. (ORIGINAL) The method of claim 58, further comprising at least one of the following:

associating an initial benefit with said coupon; and
associating said coupon with a recipient.

60. (ORIGINAL) The method of claim 58, wherein said notice of completion of said first qualifying action is considered to be received unless a notice is received that said qualifying action has not been completed.

61.(ORIGINAL) The method of claim 58, wherein said first qualifying action includes registration of said coupon by said first recipient.

62. (ORIGINAL) The method of claim 58, wherein said first qualifying action includes redemption of said coupon by said first recipient.

63. (ORIGINAL) The method of claim 58, wherein said first qualifying action includes forwarding of said coupon by said first recipient to a second recipient.

64. (ORIGINAL) The method of claim 58, wherein said first qualifying action includes registration of said coupon by a second recipient, said second recipient receiving said coupon from said first recipient.

65. (ORIGINAL) The method of claim 58, wherein said first qualifying action includes redemption of said coupon by a second recipient, said second recipient receiving said coupon from said first recipient.

66. (ORIGINAL) The method of claim 58, wherein said first qualifying action includes a second recipient receiving said coupon from said first recipient.

67. (PREVIOUSLY PRESENTED) The method of claim 58, further comprising:

associating a second qualifying action with a coupon, whereby said benefit for said coupon changes upon completion of said second qualifying action by a second recipient of said coupon.

68. (ORIGINAL) The method of claim 67, wherein said second qualifying action includes said second recipient forwarding said coupon to a third recipient.

69. (ORIGINAL) The method of claim 67, wherein said second qualifying action includes a third recipient receiving said coupon from said second recipient.

70. (ORIGINAL) The method of claim 58, further comprising:
establishing a recipient variable benefit associated with said first recipient.

71. (ORIGINAL) The method of claim 58, further comprising:
crediting a financial account associated with said first recipient if said benefit of said coupon increases after said first recipient has redeemed said coupon.

72. (ORIGINAL) The method of claim 58, further comprising:
issuing a new coupon to said first recipient of said coupon if said benefit of said coupon increases after said first recipient has redeemed said coupon.

73. (ORIGINAL) The method of claim 58, further comprising:
notifying a recipient of said coupon of a change in benefit of said coupon.

74. (ORIGINAL) The method of claim 58, further comprising:
notifying a recipient of said coupon after updating said benefit of said coupon.

87. (ORIGINAL) A method for changing a benefit for a coupon, comprising:

- establishing benefit variation conditions for a coupon, said benefit variation condition including a qualifying action;
- determining if said benefit variation conditions for said coupon needs to be modified;
- receiving a notice of a completion of said qualifying action; and
- updating said coupon's benefit in accordance with said benefit variation conditions.

94. (ORIGINAL) A system for changing a benefit for a coupon, comprising:

- a memory;
- a communication port; and
- a processor connected to said memory and said communication port, said processor being operative to:
 - establish an initial benefit for a coupon;
 - establish a benefit variation condition associated with said coupon, said benefit variation condition having at least one associated qualifying action;
 - receive notice of a completion of said at least one qualifying action; and
 - update said coupon's benefit in accordance with said benefit variation condition.

95. (ORIGINAL) A system for varying a benefit associated with a coupon, comprising:

a memory;

a communication port; and

a processor connected to said memory and said communication port, said processor being operative to:

associate an initial benefit with a coupon;

establish a first qualifying action associated with said coupon;

and

change said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

144. (ORIGINAL) A computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising:

computer readable means for creating an initial benefit for a coupon;

computer readable means for creating a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action;

computer readable means for receiving notice of a completion of said at least one qualifying action; and

computer readable means for changing said coupon's benefit in accordance with said benefit variation condition.

145. (ORIGINAL) An article of manufacture, comprising:

a computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to:

establish an initial benefit for a coupon;

establish a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action;

receive notice of a completion of said at least one qualifying action; and

update said coupon's benefit in accordance with said benefit variation condition.

146. (ORIGINAL) An apparatus for changing a benefit associated with a coupon, comprising:

means for creating an initial benefit for a coupon;

means for creating a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action;

means for receiving notice of a completion of said at least one qualifying action; and

means for changing said coupon's benefit in accordance with said benefit variation condition.

147. (ORIGINAL) A computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising:
computer readable means for associating an initial benefit with a coupon;
computer readable means for associating a first qualifying action with said coupon; and
computer readable means for changing said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

148. (ORIGINAL) An article of manufacture, comprising:
a computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to:
associate an initial benefit with a coupon;
establish a first qualifying action associated with said coupon;
and
change said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

149. (ORIGINAL) An apparatus for changing a benefit associated with a coupon, comprising:

means for associating an initial benefit with a coupon;

means for creating a first qualifying action associated with said coupon;

and

means for modifying said coupon's associated benefit a first amount upon receiving notice of a completion of said first qualifying action.

150. (ORIGINAL) A system for changing a benefit associated with a coupon, comprising:

a memory;

a communication port; and

a processor connected to said memory and said communication port, said processor being operative to:

associate a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

change said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

151. (ORIGINAL) A computer readable medium for use in a coupon system, the computer readable medium storing a computer program comprising:

computer readable means for creating a first qualifying action associated with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

computer readable means for modifying said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

152. (ORIGINAL) An article of manufacture, comprising:

a computer usable medium having a computer readable program means embodied therein for operating an information system, the computer readable program means in said article of manufacture operable to:

associate a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

change said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

153. (ORIGINAL) An apparatus for changing a benefit associated with a coupon, comprising:

means for establishing a first qualifying action associated with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

means for modifying said benefit of said coupon upon receipt of an indication of completion of said first qualifying action by said first recipient.

162. (ORIGINAL) A method for changing a benefit associated with a coupon, comprising:

establishing an initial benefit for a coupon;

establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action; and

updating said coupon's benefit in accordance with said benefit variation condition unless a notice is received that said at least one qualifying action has not been completed.

163. (ORIGINAL) A method for changing a benefit associated with a coupon, comprising:

establishing an initial benefit for a coupon;

establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action; and

updating said coupon's benefit in accordance with said benefit variation condition unless a determination is made that said at least one qualifying action has not been completed.

164. (ORIGINAL) A method for varying a benefit associated with a coupon, comprising:

associating an initial benefit with a coupon;

establishing a first qualifying action associated with said coupon; and

changing said coupon's associated benefit a first amount unless a notice is received that said first qualifying action has not been completed.

165. (ORIGINAL) A method for varying a benefit associated with a coupon, comprising:

associating an initial benefit with a coupon;

establishing a first qualifying action associated with said coupon;

and

changing said coupon's associated benefit a first amount unless a determination is made that said first qualifying action has not been completed.

166. (ORIGINAL) A method for changing a coupon's benefit, comprising:

associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

changing said benefit of said coupon unless a notice is received that said first qualifying action has not been completed.

167. (ORIGINAL) A method for changing a coupon's benefit, comprising:

associating a first qualifying action with a coupon, whereby a benefit for said coupon changes upon completion of said first qualifying action by a first recipient of said coupon; and

changing said benefit of said coupon unless a determination is made that said first qualifying action has not been completed.